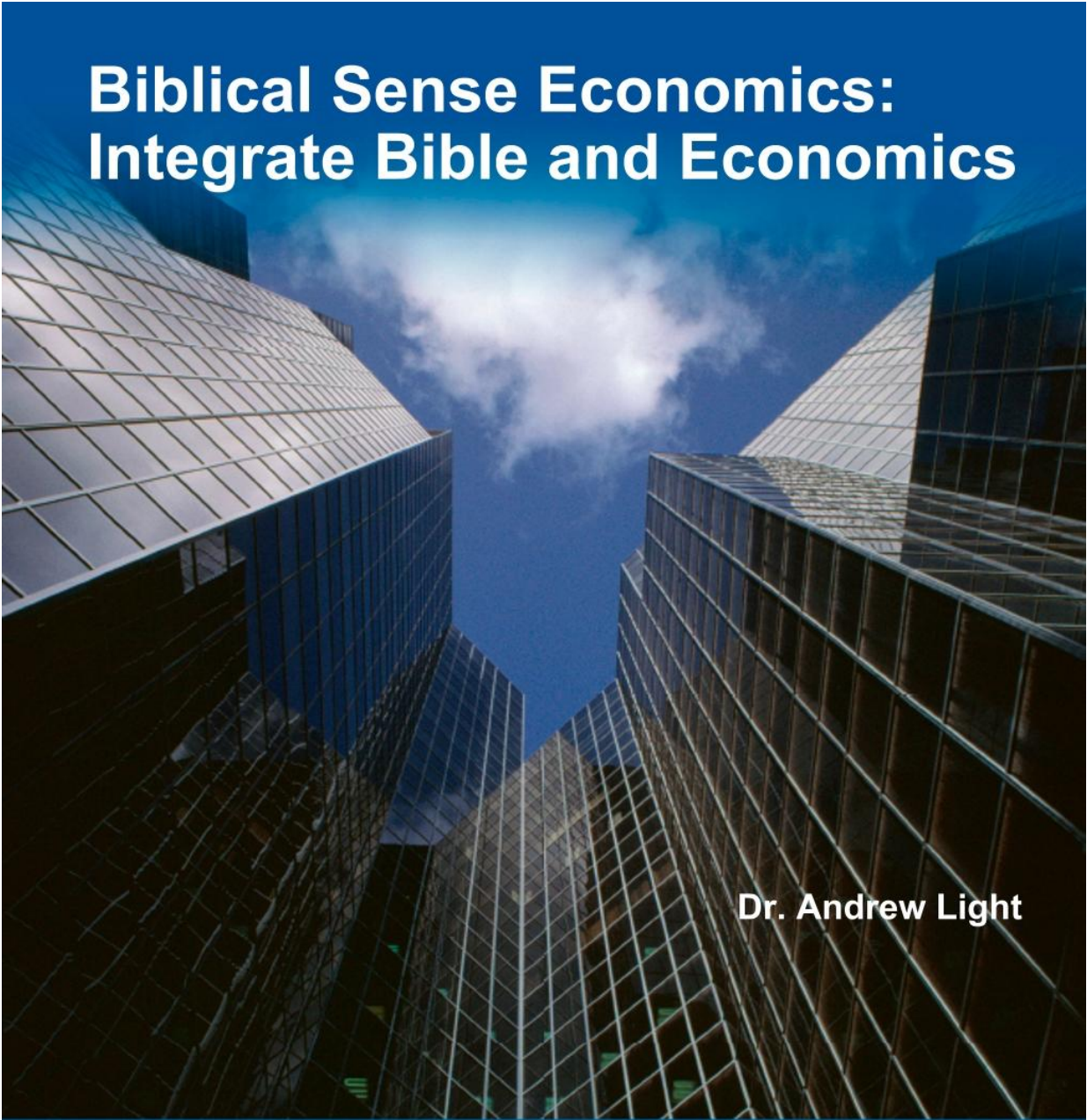


Biblical Sense Economics: Integrate Bible and Economics

Dr. Andrew Light

LIBERTY UNIVERSITY

SCHOOL OF BUSINESS



Biblical Sense Economics: Integrate Bible and Economics

Dr. Andrew Light

LIBERTY UNIVERSITY

SCHOOL OF BUSINESS

Biblical Sense Economics: Integrate Bible and Economics

Dr. Andrew Light

LIBERTY UNIVERSITY

SCHOOL OF BUSINESS





Copyright © 2025 by McGraw-Hill Education. All rights reserved.

Printed in the United States of America. Except as permitted under the United States Copyright Act of 1976, no part of publication may be reproduced or distributed in the form or by any means, or stored in the database or retrieval system, without prior written permission of the publisher.

This McGraw-Hill Create text may include materials submitted to McGraw-Hill for publication by the instructors of this course. The instructor is solely responsible for the editorial content of such materials. Instructors retain copyright of these additional materials.

ISBN-13: 9798219056963

ISBN-10: 821905696M

Contents

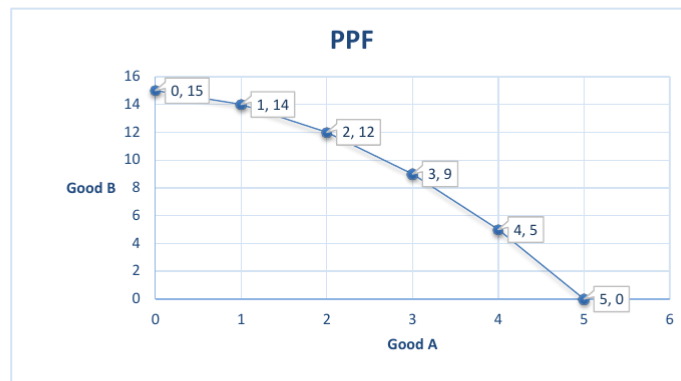
1	A FREE DINNER
2	CARE FOR WORKERS
3	CUTTING NOT ONLY SUPPLY BUT DEMAND AS WELL
4	ECONOMIC FORECASTING
5	EXTERNALITIES
6	FOR FUTURE GENERATIONS
7	FREELY RECEIVED, FREELY GIVE
8	FROM ABUNDANCE TO SCARCITY TO CONTENTMENT
9	GOD'S PROVISION AND OUR WORK
10	HOW MUCH IS ENOUGH
11	IN GOD WE TRUST
12	INCENTIVES MATTER
13	LABOR IN VAIN
14	MINE IS MINE
15	MONEY AND HAPPINESS
16	MUTUAL BENEFIT
17	NEGATIVE INTEREST RATES
18	SELF-INTEREST
19	SHORT RUN, LONG RUN AND ETERNITY
20	STUDENT LOANS AND PAYDAY LOANS
21	THE BEST INVESTMENT
22	THE BEST LENDER
23	THE INVISIBLE HAND
24	THE NATION'S ECONOMIC PULSE
25	THE OPPORTUNITY COST
26	THE MOST IMPORTANT ECONOMIC UNIT - FAMILY
27	THE RICH VS. THE POOR
28	THE RIGHT ORDER OF HELPING THE POOR
29	TOO LITTLE?
30	WHAT IS MONEY GOOD FOR
31	WHAT NOT TO PRODUCE
32	WILLINGNESS AND ABILITY
	Credits

Biblical Sense Economics

A Free Dinner

“Taking the five loaves and the two fish and looking up to heaven, he gave thanks and broke the loaves. Then he gave them to the disciples, and the disciples gave them to the people. They all ate and were satisfied” (Matthew 14: 19-20, NIV).

According to the production possibilities frontier (PPF) depicted below, given resources and technology, if we increase producing good A from 1 unit to 2 units, the production of good B will decrease from 14 units to 12 units.



This occurs because the resources used to produce one more unit of good A become unavailable for the production of good B. The more of good A that we choose to produce, the less of good B we will have. This trade-off is commonly referred to as the “There is no such thing as a free lunch” principle.

However, there are several incidents in the Bible where this principle does not apply.

1. Manna for the Israelites in the wilderness

“When the dew was gone, thin flakes like frost on the ground appeared on the desert floor. When the Israelites saw it, they said to each other, “What is it?” For they did not know what it was. Moses said to them, “It is the bread the LORD has

given you to eat. ... The people of Israel called the bread manna. It was white like coriander seed and tasted like wafers made with honey" (Exodus 16:14-15, 31).

In this case, we can assume that God created additional resources to provide free manna.

2. Elijah and the widow's bread

"For this is what the LORD, the God of Israel, says: 'The jar of flour will not be used up and the jug of oil will not run dry until the day the LORD sends rain on the land.' She went away and did as Elijah had told her. So there was food every day for Elijah and for the woman and her family" (1 Kings 17:14-15).

Here, God provided free flour and oil for the widow to make bread.

3. Elisha and the widow's olive oil

"Elisha replied to her, 'How can I help you? Tell me, what do you have in your house?' 'Your servant has nothing there at all,' she said, 'except a small jar of olive oil.' Elisha said, 'Go around and ask all your neighbors for empty jars. Don't ask for just a few. Then go inside and shut the door behind you and your sons. Pour oil into all the jars, and as each is filled, put it to one side.' She left him and shut the door behind her and her sons. They brought the jars to her and she kept pouring. When all the jars were full, she said to her son, 'Bring me another one.' But he replied, 'There is not a jar left.' Then the oil stopped flowing" (2 Kings 4:2-6).

In this case, more jars of free oil came from a small jar of olive oil.

4. Jesus provided a free dinner for the multitude

"We have here only five loaves of bread and two fish," they answered. "Bring them here to me," he said. And he directed the people to sit down on the grass. Taking the five loaves and the two fish and looking up to heaven, he gave thanks and broke the loaves. Then he gave them to the disciples, and the disciples gave them to the people. They all ate and were satisfied, and the disciples picked up twelve basketfuls of broken pieces that were left over. The number of those who ate was about five thousand men, besides women and children" (Matthew 14:17-21).

This is another example of God providing abundantly without a trade-off.

All of these are God's miracles. They highlight that God can provide more goods—manna, flour, oil, bread, and fish—for our needs without requiring the sacrifice of other goods. We can refer this as the “There is such a thing as a free dinner” principle. However, it is important to recognize that God alone has the power to create a limitless supply of resources and goods. He alone is unconstrained by the scarcity that limits us.

In contrast, we are always faced with trade-offs when allocating scarce resources. As human beings, we must strive to make the best use of our limited resources while acknowledging our constraints.

Questions:

1. If your friend pays for your lunch, can you still say “There is no such thing as a free lunch”?
2. Can you think of ways to increase production of goods without reducing the production of other goods?
3. Describe the most memorable gift you have ever received.
4. Have you ever experienced a provision from God that was free to you?
5. Share your thoughts or comments.

Biblical Sense Economics

Care for Workers

“Masters, provide your slaves with what is right and fair, *because you know that you also have a Master in heaven*” (Colossians 4:1, NIV).

Workers value both job security and job satisfaction. Job security refers to the continuity of employment, while job satisfaction often includes fair wages, good benefits, and favorable working conditions.

During periods of financial difficulty within a company, workers become particularly concerned about their job security because typically, companies opt to lay off workers in order to reduce operating costs. Is there other approach for companies to deal with downturn in business?

In the following table, in a normal business environment, the company employs 1,000 workers, and pays them \$20 per hour, resulting in a total wage cost of \$20,000 per hour. When business conditions weaken, the company decides to reduce the total wage cost from \$20,000 to \$18,000. It could have two possible approaches. Approach A is to lay off 100 workers without changing the hourly wage and approach B is to keep all 1,000 workers but cut the hourly wage from \$20 to \$18.

Business condition	Approach	Hourly wage	Number of workers	Wage cost
Normal		\$20	1,000	\$20,000
Weak	A	20	900	18,000
Weak	B	18	1,000	18,000

While both approaches end up with the same cost savings, they have different implications for job security. Approach B, where workers' hourly wage is reduced but no one is laid off, provides job security for all employees. Approach A, however, results in the loss of 100 jobs and provides no such security.

When business conditions return to normal, Approach B allows the company to raise the hourly wage back to \$20 for all 1,000 workers. In contrast, Approach A

would require the company to go through a hiring process to fill the 100 positions that were lost during the downturn.

Losing a job not only impacts workers emotionally and financially but also has ripple effects on their families. Employers who choose to retain workers during times of difficulty demonstrate care and compassion. They ensure the well-being of their employees and their families in the short run and strengthen the employer-employee relationship in the long run.

God cares for workers and condemns employers who mistreat employees. God expects employers to pay fair wages and to pay them on time.

“Look! The wages you failed to pay the workers who mowed your fields are crying out against you. The cries of the harvesters have reached the ears of the Lord Almighty” (James 5:4).

Employers are reminded to treat their workers, whether fellow Israelites or foreigners with fairness and integrity.

“Do not take advantage of a hired worker who is poor and needy, whether that worker is a fellow Israelite or a foreigner residing in one of your towns. Pay them their wages each day before sunset, because they are poor and are counting on it. Otherwise they may cry to the LORD against you, and you will be guilty of sin” (Deuteronomy 24:14-15).

In the parable of the workers in the vineyard, Jesus teaches that employers should be fair and gracious.

“These who were hired last worked only one hour,’ they said, ‘and you have made them equal to us who have borne the burden of the work and the heat of the day.’
“But he answered one of them, ‘I am not being unfair to you, friend. Didn’t you agree to work for a denarius? Take your pay and go. I want to give the one who was hired last the same as I gave you. Don’t I have the right to do what I want with my own money? Or are you envious because I am generous?’ (Matthew 20:12-15).

Workers are usually paid based on their contribution. Those who work more hours in the vineyard should be paid more because they contribute more. However, the

employer in the parable chooses to pay all workers equally, despite the difference in hours worked. Though this might not seem economically logical, the employer's decision reflects fairness and grace.

Employers who demonstrate care and kindness towards their employees are promised blessings from God.

"Give, and it will be given to you. A good measure, pressed down, shaken together and running over, will be poured into your lap. For with the measure you use, it will be measured to you." (Luke 6:38).

Questions:

1. As an employer, how would you show your care for your employees?
2. If you were hired shortly before quitting time and paid the same as workers who had been working all day, how would you feel?
3. If you had worked all day and discovered that someone hired right before quitting time received the same pay, how would you feel?
4. Is it always better to reduce wages for all workers to prevent laying off some workers? Explain your answer.
5. Share your thoughts or comments.

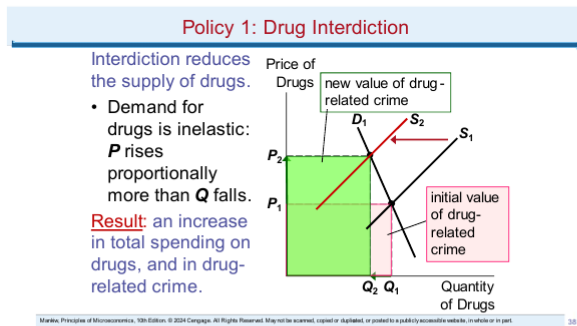
Biblical Sense Economics

Cutting Not Only Supply but Demand as Well

“Start children off on the way they should go, and even when they are old they will not turn from it” (Proverbs 22:6 NIV).

Illegal drugs present a serious social issue in the U.S., and analyzing this issue through market supply and demand can offer valuable insights into how to address it.

A market consists of buyers, sellers, a product (a good or service), and the price of the product. The graph below illustrates the illegal drugs market with the demand curve (D_1) representing the quantity purchased by buyers at various prices and the supply curve (S_1) representing the quantity sold by sellers at various prices. The market reaches equilibrium when D_1 and S_1 intersect, with P_1 as the equilibrium price and Q_1 as the equilibrium quantity.¹

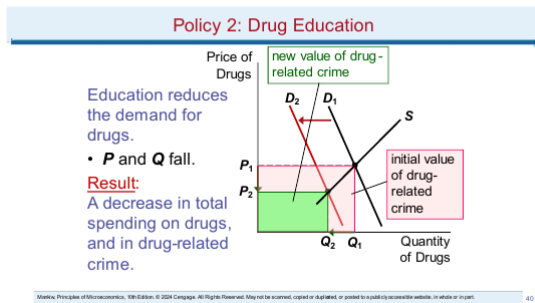


If the government imprisons illegal drug dealers, it will reduce its supply, causing the supply curve to shift from S_1 to S_2 . Given the demand, the market will reach a new equilibrium where D_1 intersects with S_2 . As a result, the quantity will be lower at Q_2 because the price is now higher at P_2 . However, a potential problem with this approach is that the price elasticity of demand for illegal drugs is

¹ Mankiw, "Principles of Microeconomics," 10th edition

inelastic—meaning that higher prices could actually generate more revenue for drug dealers, which may incentivize them to continue their criminal activities.

Is there another way to reduce the illegal drug consumption? Yes. Let us examine the next graph.² We can decrease the quantity from Q_1 to Q_2 as before by reducing the demand. That is to shift the demand curve from D_1 to D_2 . Given the supply,



reducing demand not only decreases the quantity but also lowers the price and total revenue, which disincentivizes illegal drugs dealers and reduces drug-related crime.

Based on this analysis, it is clear that reducing demand for illegal drugs is a more effective strategy than simply cutting supply.

The primary way to reduce the demand is through education.

“Start children off on the way they should go, and even when they are old they will not turn from it” (Proverbs 22:6).

Parents bear a tremendous responsibility in teaching their children right from wrong and good from evil. Regarding drug education, parents must first be drug-free themselves as this enable them to effectively teach their children about the dangers of consuming illegal drugs. Schools and parents should work together to promote a drug-free lifestyle.

² Mankiw, “Principles of Microeconomics,” 10th edition

From a spiritual perspective, the temptation to use illegal drugs originates from Satan, while the solution lies in Jesus Christ.

“The thief comes only to steal and kill and destroy; I have come that they may have life and have it to the full” (John 10:10).

While Satan brings destruction, Jesus brings salvation. The responsibility of sharing the gospel and teaching sanctification falls on families and churches. People not only need to be saved, but they also need to live holy lives that pleases God and blesses themselves. With the realization that our bodies are the temples of the Holy Spirit and with His power, Christians can resist the temptation of consuming illegal drugs.

One day, when there is no demand for illegal drugs, the market will cease to exist, and drugs related crimes will vanish.

We can apply the same analysis to another social issue, abortion. In 1973, the U.S. Supreme Court legalized abortion nationwide with its decision in *Roe v. Wade*. Since then, anti-abortion activists have waged a relentless battle against abortion access, both at the state and federal levels. In June 2022, the U.S. supreme Court overturned *Roe v. Wade*, returning control over abortion policies to individual states. Over the years, both anti-abortion and pro-abortion activists have attempted to change the supply of abortion services. The supply has indeed decreased, with 15 states making abortion illegal.

Let's apply the same market analysis here, but this time, we will focus on abortion services. Instead of altering the supply curve, we can reduce the demand curve through education.

The most effective policy to reduce abortion demand is promoting abstinence, as taught in the Bible:

“Marriage should be honored by all, and the marriage bed kept pure, for God will judge the adulterer and all the sexually immoral” (Hebrews 13:4).

Parents should teach their children that abstinence aligns with God's will, preventing them from experiencing the regret and sorrow that often follow unwise sexual relationships.

Every life comes from God. In Chinese culture, a child is considered one year old upon birth, acknowledging the nine months spent in the womb. This recognizes that a child in the womb is a living individual. Just as King David described himself before birth:

“For you created my inmost being; you knit me together in my mother’s womb. I praise you because I am fearfully and wonderfully made; your works are wonderful, I know that full well” (Psalm 139:13-14).

Churches should educate Christians to honor human life before birth and to obey God by practicing abstinence.

In conclusion, while interdiction policy may reduce the supply of illegal drugs or abortion services in the short run, the long-run solution lies in reducing the demand through education. Parents, schools, and churches should collaborate to teach young people the right path in life.

Questions:

1. What do you know about illegal drugs?
2. What do you know about abortion?
3. Can you think of ways to reduce the consumption of illegal drugs?
4. Can you think of ways to reduce abortion?
5. Share your thoughts or comments.

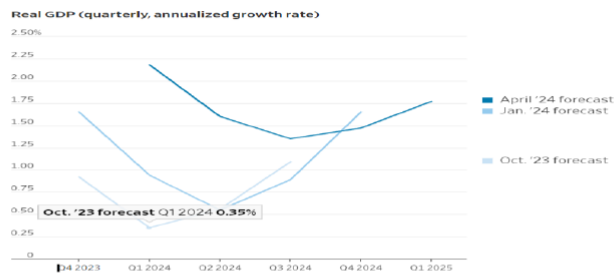
Biblical Sense Economics

Economic Forecasting

"Trust in the Lord with all your heart and lean not on your understanding; in all your ways submit to him, and he will make your paths straight" (Proverbs 3:5-6, NIV).

Economic forecasting plays a significant role in various aspects of life. Economists predict business cycles to inform the public and governments, businesses predict consumer demand for production planning, and investors forecast company earnings to guide investment decisions. At its core, forecasting is about predicting the future change of variables—their direction, magnitude, and timing of change.

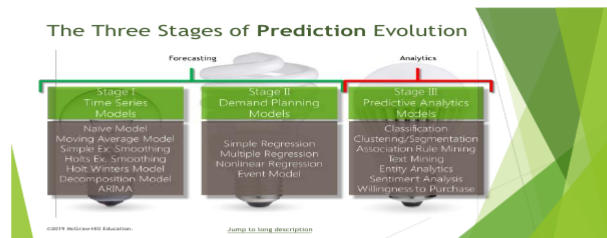
For nearly 40 years, The Wall Street Journal's Economic Forecasting Survey has published consensus forecasts on a wide range of U.S. economic variables, gathered from a panel of academic, business, and financial economists. Since April 2021, the survey has been conducted quarterly—in January, April, July, and October. The graph below shows the direction, magnitude, and timing of the annual real GDP growth rate forecasts:



Source: Wall Street Journal Surveys of Economists, April 14, 2024

The forecasted real GDP growth rate for the first quarter was 0.35% in October 2023, 0.94% in January 2024, and 2.18% in April 2024 while the Bureau of Economic Analysis' second estimate, released on May 30, 2024, was 1.3%. Forecast errors are common, and minimizing these errors is crucial for improving forecast accuracy.

The chart below illustrates the three stages of forecasting evolution.¹ Despite advancements in forecasting techniques, achieving 100% accuracy in forecasting remains nearly impossible.



Not So, if the forecast comes from God. While human forecasting is prone to error, God's forecasts are always accurate.

1. Seven-year abundance and seven-year famine

“Joseph told Pharaoh, “God has shown Pharaoh what he is about to do: Seven years of great abundance are coming throughout the land of Egypt, but seven years of famine will follow them. Then all the abundance in Egypt will be forgotten, and the famine will ravage the land. The abundance in the land will not be remembered because the famine that follows will be so severe” (Genesis 41:28-31).

And it happened just as foretold:

“The seven years of abundance in Egypt came to an end, and the seven years of famine began, just as Joseph had said” (Genesis 41:53).

2. Flour and barley

Elisha told the people, “Hear the word of the Lord. This is what the Lord says: About this time tomorrow, a seah of the finest flour will sell for a shekel, and two seahs of barley for a shekel at the gate of Samaria” (2 Kings 7:1).

And it happened exactly as predicted:

“Then the people went out and plundered the camp of the Arameans. So a seah of the finest flour sold for a shekel, and two seahs of barley sold for a shekel, as the Lord had said” (2 Kings 7:16).

¹ Keating and Wilson, “Forecasting and Predictive Analytics ” 7th edition

3. Flour and oil

Elijah told the widow in Zarephath, “Go at once to Zarephath in the region of Sidon and stay there. I have directed a widow there to supply you with food” (1 Kings 17:6).

And it happened:

“For this is what the Lord, the God of Israel, says: ‘The jar of flour will not be used up, and the jug of oil will not run dry until the day the Lord sends rain on the land.’ She went away and did as Elijah had told her. So there was food every day for Elijah, the woman, and her family. For the jar of flour was not used up, and the jug of oil did not run dry, in keeping with the word of the Lord spoken by Elijah” (1 Kings 17:14-16).

Only God’s forecast is perfect. Whatever God declares about future events will happen precisely as foretold. Today, we have a variety of forecasting models, including time-series models, demand planning models, and predictive analytics. However, no single model is flawless, and none can guarantee perfect accuracy without error.

Forecasting is essentially an educated guess about an uncertain future. To improve our forecasts, we can follow King Solomon’s advice: “Trust in the Lord with all your heart and lean not on your understanding; in all your ways submit to him, and he will make your paths straight” (Proverbs 3:5-6). This means that we should pray to God for wisdom and guidance in understanding the variables we are forecasting, choose the right forecasting models, and make adjustments as needed along the way.

Questions:

1. Can you think of an example where forecasting plays a crucial role in making an important decision?
2. Have you ever had to forecast something in your personal life? How did it go?
3. Do you use forecasts in your decision-making process? If so, in what areas?
4. Can you think of any other examples in the Bible where God’s forecasts were perfectly accurate?
5. Share your thoughts or comments.

Biblical Sense Economics

Externalities

“So in everything, do to others what you would have them do to you, for this sums up the Law and the Prophets” (Matthew 7:12, NIV).

In the study of economics, the term “externality” refers to the effect of an activity that influences others’ well-being without their consent.

Externalities can be either positive or negative. For example, building a golf course can increase the value of nearby land, a positive externality, while building a landfill may decrease the value of surrounding property, a negative externality. Similarly, education can lead to increased productivity and societal contributions, representing a positive externality. In contrast, selling illegal drugs harms not only the buyers but also their families, demonstrating a negative externality.

Some companies support activities in the local community through donations and projects. These efforts benefit the entire community, they create positive externalities. Conversely, companies that pollute the air and water create negative externalities that affect the broader community.

In many cases, businesses or governments seek to encourage activities that generate positive externalities through incentives, while discouraging negative externalities through disincentives. For instance, a company may offer need-based scholarships to help students attend college, or the government might subsidize public education to create a more educated society. To reduce negative externalities, the government may tax polluting companies or fine homeowners who neglect their properties. By offering incentives for positive externalities and imposing disincentives for negative ones, communities can thrive.

The root of externalities lies in the condition of the heart. Jesus illustrated this very point: “He (Jesus) went on: “What comes out of a person is what defiles them. For it is from within, out of a person’s heart, that evil thoughts come—sexual immorality, theft, murder, adultery, greed, malice, deceit, lewdness, envy, slander, arrogance and folly. All these evils come from inside and defile a person” (Mark 7:20-23).

Those who harm others, whether by selling illegal drugs or polluting the environment, are making decisions rooted in their hearts to pursue selfishness, ignoring the well-being of others.

Let's explore examples from the Bible that highlight the heart and externalities.

1. Externality on a group of people

"But the Israelites were unfaithful in regard to the devoted things; Achan son of Karmi, the son of Zimri, the son of Zerah, of the tribe of Judah, took some of them. So the LORD's anger burned against Israel. . . . So about three thousand went up; but they were routed by the men of Ai, who killed about thirty-six of them. They chased the Israelites from the city gate as far as the stone quarries and struck them down on the slopes. At this the hearts of the people melted in fear and became like water." (Joshua 7:1-5)

In this passage, 36 men died because of Achan's greed and sinned against God.

In contrast, a boy's small offering of loaves and fish resulted in a free meal for over five thousand people, showing how one act of generosity can create a positive externality.

"Another of his disciples, Andrew, Simon Peter's brother, spoke up, "Here is a boy with five small barley loaves and two small fish, but how far will they go among so many?" Jesus said, "Have the people sit down." There was plenty of grass in that place, and they sat down (about five thousand men were there). Jesus then took the loaves, gave thanks, and distributed to those who were seated as much as they wanted. He did the same with the fish" (John 6:8-11).

2. Externality on the nation

"Yet Pharaoh's heart became hard and he would not listen to them, just as the LORD had said" (Exodus 7:13).

Pharaoh's hardened heart led to ten devastating plagues for Egypt. His decisions caused harm to his entire nation.

Conversely, Moses obeyed God and led the Israelites out of the Egypt.

"Then Moses went back to Jethro his father-in-law and said to him, "Let me return to my own people in Egypt to see if any of them are still alive." Jethro said, "Go, and I wish you well." Now the LORD had said to Moses in Midian, "Go back to

Egypt, for all those who wanted to kill you are dead.” So Moses took his wife and sons, put them on a donkey and started back to Egypt. And he took the staff of God in his hand” (Exodus 4:18-20).

3. Externality on the human race

“Consequently, just as one trespass resulted in condemnation for all people, so also one righteous act resulted in justification and life for all people” (Romans 5:18).

Adam and Eve wished to be like God, disobeyed God’s command and ate the fruit from the tree of the knowledge of good and evil. Their action put the human race under the reign of death.

On the contrary, Jesus came to give life to the human race, an eternal positive externality.

“For God so loved the world that he gave his one and only Son, that whoever believes in him shall not perish but have eternal life” (John 3:16).

“For just as through the disobedience of the one man the many were made sinners, so also through the obedience of the one man the many will be made righteous” (Romans 5:19).

When we follow God’s command, “So in everything, do to others what you would have them do to you, for this sums up the Law and the Prophets” (Matthew 7:12), we create positive externalities that benefit others. Our hearts guide our actions, and when we align our choices with the good of others, we help foster better communities and a more just world.

Questions:

1. Can you think of examples of positive externalities in your own life or community?
2. What are some examples of negative externalities you’ve observed or experienced?
3. What are some ways that positive externalities can be encouraged?
4. How can negative externalities be discouraged?
5. Share your thoughts or comments.

Biblical Sense Economics

For Future Generations

“Start children off on the way they should go, and even when they are old they will not turn from it” (Proverbs 22:6, NIV).

When we think about the generations that will follow us on this planet, it is crucial to recognize the importance of preserving our government, our environment, and our way of life for their benefit. The U.S. government must address the issue of huge national debt so that future generations will not inherit a greater tax burden. We also need to monitor our impact on the environment and make necessary changes to ensure that our planet remains clean and healthy for them.

The list of things we must do to protect future generations is long, but one thing is clear: their well-being should always be at the forefront of our decisions today. We have a responsibility to provide for them in ways that will benefit them the most.

Two essential things we should provide for future generations are salvation and education.

“Make sure your children have two things that nobody can take away from them, salvation and education.”¹

1. Salvation and knowing how to live

“For God so loved the world that he gave his one and only Son, that whoever believes in him shall not perish but have eternal life” (John 3:16).

Once a person accepts Jesus as their personal Savior, they receive eternal life, a gift from God that cannot be taken away by anyone (John 10:27-29).

“Peter replied, ‘Repent and be baptized, every one of you, in the name of Jesus Christ for the forgiveness of your sins. And you will receive the gift of the Holy Spirit. The promise is for you and your children and for all who are far off—for all whom the Lord our God will call.’” (Acts 2:37-39).

God’s salvation is offered to everyone, and as caretakers of future generations, it is our duty to share the gospel, starting with young children. Once a person is saved,

¹ A quote from an 80-year old Christian, Mr. Wan.

the Holy Spirit dwells within them, guiding them to live a life that is pleasing to God and beneficial to others. This life is characterized by the fruits of the Spirit: love, joy, peace, forbearance, kindness, goodness, faithfulness, gentleness, and self-control” (Galatians 5:22-23).

2. Education and knowing how to make a living

The most important factor of production is human resources, both in terms of quantity and quality. The quantity of the human resources depends on the birth rate and death rate. Unfortunately, many factors currently reduce the quantity of human resources. These include abortion, same-sex marriages, and a rapidly declining birth rate. The quality of human resources depends on education and training. Education is a long-term process. As the saying goes, “It takes ten years to grow trees, but a hundred years to rear people.”²

Education is about learning, and it should start in the family. Children are naturally eager to learn. If parents do not teach their children, they will inevitably learn from society without necessarily knowing the difference between right and wrong.

“Start children off on the way they should go, and even then they are old they will not turn from it” (Proverbs 22:6).

“Fathers do not exasperate your children; instead, bring them up in the training and instruction of the Lord” (Ephesians 6:4).

In the nuclear family, parents are called to teach and train their children according to God's commands. In schools, students acquire the knowledge and skills they need for personal growth and to earn a living after graduation. Once knowledge and skills are learned, they stay with the individual and cannot be taken away.

Therefore, salvation and education are two essential provisions we should prioritize for future generations. By ensuring that they have a strong foundation in faith and knowledge, we equip them to lead fulfilling lives and contribute positively to society.

² A Chinese proverb

Questions:

1. How can a person be saved?
2. Have you experienced the joy of God's salvation?
3. How would you define a good education?
4. Can a person be considered truly educated without knowing the difference between right and wrong, good and evil?
5. Share your thoughts or comments.

Biblical Sense Economics

Freely Received, Freely Give

“As you go, proclaim this message: ‘The kingdom of heaven has come near.’ Heal the sick, raise the dead, cleanse those who have leprosy, drive out demons. Freely you have received; freely give” (Matthew 10: 7-8, NIV).

When high school seniors visit a college, they often receive free T-shirts, caps, water bottles, and more. These gifts are free to them, but the college has to cover the cost. Similarly, at Costco, employees offer free samples of snacks, cheese, and cereals to promote the products. These samples are free to customers, but Costco pays for them. If we want to know the latest news, we can search online for free, but it costs news companies to gather and deliver that information. In essence, almost all goods and services we consume come at a cost—either we pay for them directly or someone else does.

In the beginning, God provided all things free to us for our survival and enjoyment. Look at the heavens and the earth, the sun, moon, stars, air, water, plants, and animals. How gracious our God is! However, after Adam’s fall, resources became scarce. That is, God-given resources are not sufficient to satisfy our desires. We need to pay to acquire resources as well as goods and services.

In the spiritual realm, God freely gives us all good and perfect gifts just as He freely gave us all physical things in the beginning. “Every good and perfect gift is from above, coming down from the Father of the heavenly lights” (James 1:17).

The greatest gift from God is salvation through Jesus, “And all are justified freely by his grace through the redemption that came by Christ Jesus” (Romans 3: 24). Salvation is free to us, and yet it is priceless, for it cost the life of Jesus. No price tag can be put on it. Out of love, God provides salvation freely to mankind. “For the wages of sin is death, but the (free) gift of God is eternal life in Christ Jesus our Lord” (Romans 6:23). By accepting this precious gift, we are transformed and become new creations. The relationship between God and us becomes that of a loving Father and His children, not that of a seller and buyers. The Father gives good things to His children without requiring them to pay.

In addition to salvation, the Holy Spirit also freely offers various spiritual gifts to Christians. “Now to each one the manifestation of the Spirit is given for the common good. To one there is given through the Spirit a message of wisdom, to another a message of knowledge by means of the same Spirit, to another faith by the same Spirit, to another gifts of healing by that one Spirit, to another miraculous powers, to another prophecy, to another distinguishing between spirits, to another speaking in different kinds of tongues, and to still another the interpretation of tongues. All these are the work of one and the same Spirit, and he distributes them to each one, just as he determines.” (1 Corinthians 12: 7-11).

The gifts from the Holy Spirit are not for sale. When Simon offered money to Peter for having the power of the Holy Spirit, he was condemned. “When Simon saw that the Spirit was given at the laying on of the apostles’ hands, he offered them money and said, “Give me also this ability so that everyone on whom I lay my hands may receive the Holy Spirit.” Peter answered: “May your money perish with you, because you thought you could buy the gift of God with money! You have no part or share in this ministry, because your heart is not right before God” (Acts 8:18-21).

Whether it is salvation, the healing power given by Jesus to disciples, or the spiritual gifts bestowed by the Holy Spirit, these gifts are not meant for personal gain but to glorify God and benefit others. We have freely received, so we should freely give.

Questions:

1. What free gifts have you received from others?
2. What free gifts have you received from God?
3. Have you ever asked God for spiritual gifts?
4. How have you used the gifts from God?
5. Share your thoughts or comments.

Biblical Sense Economics

From Abundance to Scarcity to Contentment

“Cursed is the ground because of you” (Genesis 3:17, NIV).

Scarcity is present whenever there are not enough resources freely available from nature to produce products that people desire to have.

While scarcity is a fundamental problem in the study and practice of economics, it was not always so. In the beginning, when God created the world, there was no scarcity. God created the first man, Adam, placed him in the Garden of Eden to tend it, and commanded him, “You are free to eat from any tree in the garden; but you must not eat from the tree of the knowledge of good and evil, for when you eat of it you will surely die” (Genesis 2:16-17).

Adam and his wife Eve had abundant resources available to them. There was no scarcity for them in the beginning. However, everything changed when they disobeyed God and ate the forbidden fruit. As a result, the ground was cursed, and resources became limited—no longer sufficient to satisfy our desires.

To deal with the problem of scarcity, we must make choices regarding what items to produce, which resources to utilize, how to produce products efficiently, and how to distribute them among ourselves. These are the central issues in economics. However, no matter what economic system we adopt—whether capitalism, socialism, or communism—the problem of scarcity cannot be fully addressed without considering the control of our desires.

Paul warned of the dangers of uncontrolled desires, a consequence of our sinful nature inherited from Adam’s fall. He wrote:

“Those who want to get rich fall into temptation and a trap and into many foolish and harmful desires that plunge people into ruin and destruction. For the love of money is a root of all kinds of evil. Some people, eager for money, have wandered from the faith and pierced themselves with many grief” (I Timothy 6:9-10).

People love money because it allows them to purchase goods and services to satisfy their desires. However, if we fail to control our desires, it will bring grief, rather than happiness or joy, to our lives.

Paul offers a suggestion from his own experience:

“I know what it is to be in need, and I know what it is to have plenty. I have learned the secret of being content in any and every situation, whether well fed or hungry, whether living in plenty or in want. I can do everything through him who gives me strength” (Philippians 4:12-13).

To be content, we first need to have faith in God and trust in His promises:

“Keep your lives free from the love of money and be content with what you have, because God has said, “Never will I leave you; never will I forsake you” (Hebrews 13:5).

Secondly, we must cultivate self-control, relying on the Holy Spirit for strength. As Paul wrote:

“But the fruit of the Spirit is love, joy... and self-control” (Galatians 5:22-23).

The prayer of a wise man should be our prayer as well:

“Give me neither poverty nor riches but give me only my daily bread. Otherwise, I may have too much and disown you and say, 'Who is the LORD?' Or I may become poor and steal and so dishonor the name of my God” (Proverbs 30:7-9).

By practicing self-control and utilizing resources efficiently in producing what is needed, we can live a life of sufficiency. As Paul instructed Timothy:

“But godliness with contentment is great gain” (I Timothy 6:6).

Questions:

1. How do you use the limited resources you have efficiently?
2. How do you control your desires?
3. Are you satisfied with what the Lord has provided for you?

4. What do you see as the main difference between having things and loving things?
5. Share your thoughts or comments.

Biblical Sense Economics

God's Provision and Our Work

“But remember the LORD your God, for it is he who gives you the ability to produce wealth ...” (Deuteronomy 8:18).

In order to produce products, we need resources. It must be a miracle to produce anything without them.

“That evening quail came and covered the camp, and in the morning there was a layer of dew around the camp. When the dew was gone, thin flakes like frost on the ground appeared on the desert floor. When the Israelites saw it, they said to each other, “What is it?” for they did not know what it was. Moses said to them, “It is the bread (manna) the LORD has given you to eat” (Exodus 16:13-15).

The provision of manna was a special, God-ordained miracle. However, once the Israelites settled in the promised land, the manna ceased, and they had to work for their food. This shows that God expects us to work after He has provided us with resources.

“On the evening of the fourteenth day of the month, while camped at Gilgal on the plains of Jericho, the Israelites celebrated the Passover. The day after the Passover, that very day, they ate some of the produce of the land: unleavened bread and roasted grain. The manna stopped the day after they ate this food from the land; there was no longer any manna for the Israelites, but that year they ate the produce of Canaan” (Joshua 5:10-12)

“For even when we were with you, we gave you this rule: “The one who is unwilling to work shall not eat.” We hear that some among you are idle and disruptive. They are not busy; they are busybodies. Such people we command and urge in the Lord Jesus Christ to settle down and earn the food they eat” (I Thessalonians 3:10-12).

Not only does God expect us to work, but He also expects us to use our resources faithfully, according to the abilities He has given us.

“But remember the LORD your God, for it is he who gives you the ability to produce wealth, and so confirms his covenant, which he swore to your ancestors, as it is today” (Deuteronomy 8:18).

“Again, it will be like a man going on a journey, who called his servants and entrusted his wealth to them. To one he gave five bags of gold, to another two bags, and to another one bag, each according to his ability. ... after a long time the master of those servants returned and settled accounts with them. The man who had received five bags of gold brought the other five. ‘Master,’ he said, ‘you entrusted me with five bags of gold. See, I have gained five more.’ ‘His master replied, ‘Well done, good and faithful servant!’” (Matthew 25:14-21).

It is important to recognize that the Lord is our Master, and it is He who provides us with work. This mindset shifts our perspective and motivates us to strive for excellence in all that we do, knowing that we are ultimately serving God.

“Whatever you do, work at it with all your heart, as working for the Lord, not for human masters” (Colossians 3:23).

Let us thank God for resources and abilities He has bestowed upon us, and ask Him to help us to do our work faithfully.

Questions:

1. What resources has God provided for you?
2. How do you use your God-given resources?
3. Have you ever thanked God for your job?
4. How do you respond when you hear someone say, “Take this job and shove it”?
5. Share your thoughts or comments.

Biblical Sense Economics

How much is Enough?

**“If you find honey, eat just enough—too much of it, and you will vomit”
(Proverbs 25:16, NIV).**

How much is enough? Let’s consider the following chart, which illustrates the change in utility (satisfaction) from eating a large pizza:

Slice	M arginal Utility	Total Utility
0	0	0
1 st	10	10
2 nd	8	18
3 rd	5	23
4 th	2	25
5 th	1	26
6 th	-2	24

According to the chart, the individual experiences 10 utils (units of satisfaction) from consuming the first slice of pizza and 8 utils from the second slice.¹ The individual feels less and less additional satisfaction from each additional slice of pizza. This phenomenon is known as the law of diminishing marginal utility in economics.

By the time the individual consumes the 5th slice, it still provides positive satisfaction, but the 6th slice causes dissatisfaction, as shown by the -2 utils, and the total satisfaction drops from 26 to 24 utils. Note that up until the 6th slice, total utility continues to increase, but by progressively smaller amounts with each additional slice. For this individual, five slices of pizza are good enough.

In our daily lives, we encounter the law of diminishing marginal utility whenever we consume a product over time. For example, we may enjoy a new car for the first few months, but after that, the excitement gradually fades. Similarly, a beach vacation may bring great joy during the first few days, but satisfaction diminishes with each passing day. Because of this diminishing satisfaction, people are constantly seeking something new, a new type of pizza, a new car, or a different

¹ Economists use util as the measurement unit to measure the degree of satisfaction from consuming a product.

vacation destination. But is it wise to constantly seek new things for fulfillment? Let's look at what the Bible says about this issue.

King Solomon was able to obtain whatever his heart desired:

"I undertook great projects I became greater by far than anyone in Jerusalem before me. In all this my wisdom stayed with me. I denied myself nothing my eyes desired; I refused my heart no pleasure. My heart took delight in all my work, and this was the reward for all my labor" (Ecclesiastes 2: 4-10).

But in the end, he did not find lasting joy:

"Yet when I surveyed all that my hands had done and what I had toiled to achieve, everything was meaningless, a chasing after the wind; nothing was gained under the sun" (Ecclesiastes 2:11).

By understanding the law of diminishing marginal utility, we can better assess how much is enough and avoid the trap of always seeking the latest product or trend. The lessons we can learn from King Solomon are:

First, do not over-consume any product:

"If you find honey, eat just enough—too much of it, and you will vomit" (Proverbs 25:16).

Second, pursue God's will and not chase after the things of this world:

"Now all has been heard; here is the conclusion of the matter: Fear God and keep his commandments. For this is the whole duty of man" (Ecclesiastes 12:13).

Questions:

1. Share your experience of consuming pizza.
2. What other examples could you give to illustrate the law of diminishing marginal utility?
3. If you were a king, how would you use your resources? Would you do things differently from King Solomon?
4. How can we be wise in spending and consumption?
5. Share your thoughts or comments.

Biblical Sense Economics

In God We Trust

“And without faith it is impossible to please God, because anyone who comes to him must believe that he exists and that he rewards those who earnestly seek him” (Hebrews 11:6, NIV).

Every nation faces three basic macroeconomic problems: economic fluctuations, unemployment, and inflation. Before the Great Depression, classical economists believed that market adjustments could effectively address these issues. For example, during a recession, a decrease in the demand for loanable funds would lower interest rates, while a decrease in labor demand would lead to lower wages. Lower interest rates would increase aggregate demand, and lower wages would increase short-run aggregate supply. These changes would lead to a rise in output and eventually result in the economy's recovery.

However, the Great Depression of the 1930s challenged this thinking. Keynesian economics emerged, advocating for government intervention to stabilize the economy. In the case of a recession, Keynesians proposed an expansionary fiscal policy, which could involve increasing government spending and/or tax cuts to boost aggregate demand. The Federal Reserve could also adopt an expansionary monetary policy by reducing interest rates to stimulate borrowing and investment, further increasing aggregate demand. Either policy would help boost output.

Viewing the economy as a human body, market adjustment is like the immune system, while the government plays the role of a medical doctor. When we fall ill, we can either rely on our immune system to heal us or seek medical treatment from a doctor. Similarly, if the economy faces a recession, we can wait for market adjustments to heal it or turn to the government to implement fiscal or monetary policies to treat it. Today, economists continue to debate which approach is better.

Does God play a role in our economy? We believe that God created and sustains the heavens and the earth. The motto "IN GOD WE TRUST" first appeared on U.S. coins in 1864 and has been featured on Federal Reserve notes since 1957. This motto serves as a reminder that our ultimate trust should be placed in God, rather than relying solely on market forces or government intervention to address economic problems.

Just like we approach God in prayer for individual needs, as a nation, we should seek His guidance when facing economic challenges. God is both loving and wise, and He will show us whether we should rely on market forces to adjust, utilize government policies, or both to achieve sustainable economic growth, price stability, and full employment.

In the book of Genesis, we see how God granted wisdom to Joseph in dealing with the impending business cycle in Egypt.

“Let Pharaoh appoint commissioners over the land to take a fifth of the harvest of Egypt during the seven years of abundance. They should collect all the food of these good years that are coming and store up the grain under the authority of Pharaoh, to be kept in the cities for food. This food should be held in reserve for the country, to be used during the seven years of famine that will come upon Egypt, so that the country may not be ruined by the famine” (Genesis 41:34-36).

As demonstrated in the passage above, both we and our national leaders should submit to the Lord and His guidance if we are sincere in asserting that “IN GOD WE TRUST.”

Questions:

1. What would a classical economist suggest for dealing with economic recession?
2. What would a Keynesian economist recommend for addressing economic recession?
3. How can the phrase “In God We Trust” be applied to both our personal life and the economy?
4. Can an economic recession have any benefits for a country? (Consider aspects like drawing closer to God, cutting wasteful spending, and promoting frugality.)
5. Share your thoughts or comments.

Biblical Sense Economics

Incentives Matter

“The next day John saw Jesus coming toward him and said, “Look, the Lamb of God, who takes away the sin of the world!” (John 1:29, NIV).

Every decision an individual or business makes can be traced back to incentives. The impact of incentives on decision-making is well-documented, and examples are all around us.

Incentives can be positive or negative:

A positive incentive provides a benefit, encouraging people to change their behavior in order to gain that benefit. A negative incentive creates a cost, prompting people to change their behavior to avoid that cost.

For example, when a government cuts income tax rates, workers have more income after taxes. By lowering taxes, the government is providing a positive incentive. Workers in this scenario are more likely to work harder and earn more income due to the lower tax burden, ultimately contributing to economic growth.

On the other hand, when a government imposes a tax on sugary soft drinks, consumers will pay more for these beverages. This "sugar tax" creates a negative incentive, leading consumers to purchase fewer sugary drinks, which can improve the general public's health.

In a free market, a seller who offers coupons or holds a BOGO (Buy One Get One) sale provides a positive incentive. Consumers are more likely to buy more of the product because the price is lower. On the other hand, if the seller raises the price of a product, this represents a negative incentive, causing consumers to buy less due to the higher price.

In economics, discussions of incentives often focus on monetary gains or losses, as illustrated above. However, in Christian life, non-monetary incentives can also influence our daily decisions. Let's explore the following examples:

1. Non-monetary loss
 - a. A rich young man

“Jesus answered, “If you want to be perfect, go, sell your possessions and give to the poor, and you will have treasure in heaven. Then come, follow me.” When the

young man heard this, he went away sad, because he had great wealth” (Matthew 19:21-22).

The rich young man was seeking to be perfect. However, after Jesus instructed him on what was right for him to do, his incentive of keeping his great wealth overpowered his initial desire. It is likely that he would continuously make monetary gain but he suffered from non-monetary loss of not following Jesus.

b. Balaam

“The elders of Moab and Midian left, taking with them the fee for divination. When they came to Balaam, they told him what Balak had said” (Numbers 22:7).

“They were the ones who followed Balaam’s advice and enticed the Israelites to be unfaithful to the LORD in the Peor incident, so that a plague struck the LORD’s people” (Numbers 31:18).

“...They also killed Balaam son of Beor with the sword” (Numbers 31:8).

Balaam sought monetary gain by trying to curse the Israelites and leading them to worship other gods. In the end, he lost his life due to his unwise choices.

2. Non-monetary gain

a. A poor widow

“Jesus sat down opposite the place where the offerings were put and watched the crowd putting their money into the temple treasury. Many rich people threw in large amounts. But a poor widow came and put in two very small copper coins, worth only a few cents. Calling his disciples to him, Jesus said, “Truly I tell you, this poor widow has put more into the treasury than all the others. They all gave out of their wealth; but she, out of her poverty, put in everything—*all* she had to live on” (Mark 12:41-44).

The widow’s incentive to give all she had was driven by her love toward God. Though she experienced the highest monetary loss compared to the rich, she received the highest non-monetary reward, as Jesus commended her sacrifice.

b. Paul

“What is more, I consider everything a loss because of the surpassing worth of knowing Christ Jesus my Lord, for whose sake I have lost all things. I consider them garbage that I may gain Christ....I press on toward the goal to win the prize for which God has called me heavenward in Christ Jesus” (Philippians 3:8 & 14).

Paul willingly gave up all his earthly possessions for the sake of knowing Christ and following Him, aiming for a non-monetary prize from God.

c. Jesus

For Our Lord and Savior, Jesus Christ, His incentive for coming to this world was not for money, power, or pleasure, but to fulfill His Father’s will of saving the world.

“For God so loved the world that he gave his one and only Son, that whoever believes in him shall not perish but have eternal life” (John 3:16).

As Christians, our utmost incentive in life is to do God’s will by seeking His kingdom and righteousness, as demonstrated by Jesus and Paul throughout their lives. Non-monetary gain is far more valuable than monetary gain.

“Only one life, ’twill soon be past, Only what’s done for Christ will last.” -- C.T. Studd

Questions:

1. Have you made a choice for monetary gain?
2. Have you made a choice for non-monetary gain?
3. Have you made a choice that caused non-monetary loss?
4. Is there a choice that will provide both monetary and non-monetary gains?
5. Share your thoughts or comments.

Biblical Sense Economics

Labor in Vain

“Unless the Lord builds the house, its builders labor in vain. Unless the Lord watches over the city, the watchmen stand guard in vain” (Psalm 127:1, NIV).

A common piece of advice in the gym is, “No pain, no gain.” The idea is that, in order to achieve something, there must be effort and discomfort. However, this is not always true. Sometimes, we experience pain without any gain, even outside of the gym.

Consider the following example of production for a company. While keeping physical capital, such as machines, constant, by changing the number of workers, the company’s output will vary:

Worker	M arginal product of worker	Total product
0		0
1	4	4
2	5	9
3	4	13
4	2	15
5	-3	12

Without workers, the company produces no output. With one worker, the company can produce 4 units of output. As more workers are added, total output increases, even though the marginal product of worker begins to decrease starting the 3rd worker. However, when the 5th worker is added, the marginal product of worker becomes negative, and total output decreases from 15 units to 12. This drop in production may result from coordination problems, such as overcrowding or the need to share limited resources. In this case, hiring five workers leads to pain without gain: the company incurs additional wages but produces less output. Therefore, the company should hire at most four workers to remain profitable.

Pain without gain is not limited to the workplace. It also occurs in other areas of life. For example, a company might suffer losses due to low demand for its

products, a driver might fail to reach their destination due to incorrect directions, or a student might fail an exam because they only study the night before.

God's people also experienced pain without gain when they failed to follow God's commands. A vivid example is described by the prophet Jeremiah:

"My people have committed two sins: They have forsaken me, the spring of living water, and have dug their own cisterns, broken cisterns that cannot hold water" (Jeremiah 2:13).

Although they expended effort in digging cisterns, there was no benefit because the cisterns they created were broken and could not hold water.

Another striking example of pain without gain occurs when the Israelites were in the wilderness. God instructed them to prepare for the Sabbath:

God said to them, "This is what the LORD commanded: 'Tomorrow is to be a day of Sabbath rest, a holy Sabbath to the LORD. So bake what you want to bake and boil what you want to boil. Save whatever is left and keep it until morning.' So they saved it until morning, as Moses commanded, and it did not stink or get maggots in it. 'Eat it today,' Moses said, 'because today is a Sabbath to the LORD. You will not find any of it on the ground today. Six days you are to gather it, but on the seventh day, the Sabbath, there will not be any.' Nevertheless, some of the people went out on the seventh day to gather it, but they found none" (Exodus 16: 21-27).

Despite being instructed not to gather food on the Sabbath, some people still went out on the seventh day and found none. Their actions led to pain without gain.

In the book of Micah, we find yet another example of pain without gain:

"Listen! The LORD is calling to the city— ... You will plant but not harvest; you will press olives but not use the oil on yourselves, you will crush grapes but not drink the wine. You have observed the statutes of Omri and all the practices of Ahab's house; you have followed their traditions" (Micah 6:15-16).

King Solomon acknowledges the importance of having God in our work when he writes, "Unless the Lord builds the house, its builders labor in vain. Unless the Lord watches over the city, the watchmen stand guard in vain" (Psalm 127:1).

So, how can we ensure that our labor results in gain? Jesus offers us the answer:

“Therefore everyone who hears these words of mine and puts them into practice is like a wise man who built his house on the rock. The rain came down, the streams rose, and the winds blew and beat against that house; yet it did not fall, because it had its foundation on the rock. But everyone who hears these words of mine and does not put them into practice is like a foolish man who built his house on sand. The rain came down, the streams rose, and the winds blew and beat against that house, and it fell with a great crash” (Matthew 7:24-27).

That is to do what God tells us to do.

Questions:

1. What does the prophet Micah mean by “the statutes of Omri and all the practices of Ahab’s house”?
2. Why did those practices result in pain without gain?
3. Have you ever experienced pain without gain?
4. Is it possible to have gain without pain? Can you provide an example?
5. Share your thoughts or comments.

Biblical Sense Economics

Mine is Mine

“Do you not know that your bodies are temples of the Holy Spirit, who is in you, whom you have received from God? You are not your own; you were bought at a price. Therefore honor God with your bodies.” (I Corinthians 6:19-20, NIV).

Private ownership provides the incentive for people to work, save, purchase, and maintain valuable property. Private property rights allow the owner of a property to exclusively use the property and to transfer, sell, exchange, or mortgage it.

For instance, if you own a house, you can decide how to decorate your rooms, what to plant in the garden, and who is allowed to come into your house. You have complete freedom in making these decisions because you own the property.

However, with the right comes responsibility. As a house owner, you are responsible for maintaining or even increasing the property's value. Neglecting its upkeep will ultimately lower its worth, and the consequences will fall solely on you. To ensure both short-term and long-term value, house owners are typically motivated to invest time, energy, and resources into the maintenance of their property.

In contrast, those who do not own property—such as renters—often lack the same incentive to take care of the space. Landlords, aware that tenants may not care for the property in the same way a house owner would, usually require a refundable deposit. While renters may not have a direct motivation to preserve the property's value for the landlord's benefit, they do have an incentive to maintain the condition of the property to safeguard their deposit.

God honors the principle of private ownership and property rights. "You shall not steal" is one of the Ten Commandments, and He warns us: "You shall not covet your neighbor's house. You shall not covet your neighbor's wife, or his male or female servant, his ox or donkey, or anything that belongs to your neighbor" (Exodus 20:17).

In 1 Kings 21:17-19, we read of King Ahab's coveting of Naboth's vineyard. God rebukes Ahab, declaring: "Have you not murdered a man and seized his property?" God's judgment on Ahab emphasizes the severity of violating private ownership.

“Then the word of the LORD came to Elijah the Tishbite: “Go down to meet Ahab king of Israel, who rules in Samaria. He is now in Naboth’s vineyard, where he has gone to take possession of it. Say to him, ‘This is what the LORD says: Have you not murdered a man and seized his property?’ Then say to him, ‘This is what the LORD says: In the place where dogs licked up Naboth’s blood, dogs will lick up your blood—yes, yours!’” (I Kings 21:17-19).

It is vital to acknowledge and be grateful that it is God who enables us to work, save, purchase, and care for our property. Deuteronomy 8:17-18 reminds us:

“You may say to yourself, “My power and the strength of my hands have produced this wealth for me.” But remember the LORD your God, for it is he who gives you the ability to produce wealth, and so confirms his covenant, which he swore to your ancestors, as it is today” (Deuteronomy 8:17-18).

In this sense, everything we own comes from the Lord. Therefore, we should use our possessions for His glory and to serve others—whether opening our homes for Bible study, using our cars to transport others to church, or donating clothes to the needy.

Beyond material possessions, we should also consider our own bodies and lives. Before we are saved, we may perceive we are the masters of our lives. However, once saved, we are no longer our own but belong to God, with the Holy Spirit indwelling within us.

“Do you not know that your bodies are temples of the Holy Spirit, who is in you, whom you have received from God? You are not your own; you were bought at a price. Therefore, honor God with your bodies” (I Corinthians 6:19-20).

As believers, we are called to honor God by taking care of our bodies and minds. Paul exemplified this discipline, training himself to achieve the heavenly prize. He writes:

“Everyone who competes in the games goes into strict training. They do it to get a crown that will not last, but we do it to get a crown that will last forever. Therefore I do not run like someone running aimlessly; I do not fight like a boxer beating the air. No, I strike a blow to my body and make it my slave so that after I have

preached to others, I myself will not be disqualified for the prize” (1 Corinthians 9:25-27).

In addition to physical discipline, Paul advises Christians to keep in step with the Holy Spirit in daily living. By doing so, we maintain our bodies, souls, and spirits in optimal condition, becoming valuable vessels for God’s service.

“But the fruit of the Spirit is love, joy, peace, forbearance, kindness, goodness, faithfulness, gentleness and self-control. Against such things there is no law. Those who belong to Christ Jesus have crucified the flesh with its passions and desires. Since we live by the Spirit, let us keep in step with the Spirit” (Galatians 5:22-25).

Questions:

1. What would happen if private property rights did not exist?
2. Do you take care of a rental property the same way as your own property?
3. How should we take care of our bodies?
4. Share your experiences in following the Holy Spirit.
5. Share your thoughts or comments.

Biblical Sense Economics

Money and Happiness

“... blessed is the people whose God is the LORD” (Psalms 144:15, NIV).

The United States is getting richer but not necessarily happier, according to the United Nations' 2025 World Happiness Report. This annual report ranks over 150 countries by their happiness, analyzing variables such as GDP, healthy life expectancy, social support, freedom, generosity, and absence of corruption. While GDP is one of the six factors considered in the happiness ranking, it is not the sole determinant. In the report, the U.S. ranked 24th—its lowest rank yet. Finland held the top spot for the eighth consecutive year.

Let's consider what might make a typical student happy in everyday life. A student might feel happy if they:

- Wake up feeling full of energy
- Pray to God and read the Bible
- Attend classes on time
- Understand their lectures
- Perform well on tests
- Enjoy lunch with friends
- Have money to purchase things
- Appreciate the beauty of a sunset
- Sleep in a comfortable bed
- Thank God for a blessed day

Can you identify which of these activities directly or indirectly involves money?
Which ones are independent of it?

Read the following poem.

Money Will Buy:

- A bed BUT NOT sleep
- A steak BUT NOT appetite
- Books BUT NOT wisdom

Finery BUT NOT a sunset
A house BUT NOT a home
A musement BUT NOT joy
A clock BUT NOT time
A crucifix BUT NOT salvation ¹

Money or income is not omnipotent in making us happy, even though it affects our happiness. Economists and psychologists have conducted research and found that there is a positive relationship between income and happiness, meaning that an increase in income tends to correlate with greater happiness. However, this is not true for everyone.²

True, enduring happiness goes beyond wealth. It stems from strong, healthy relationships—with family, with others, and most importantly, with God.

“Better a dry crust with peace and quiet than a house full of feasting, with strife”
(Proverbs 17:1).

“If it is possible, as far as it depends on you, live at peace with everyone”
(Romans 12:18).

“For he himself is our peace, who has made the two groups one and has destroyed the barrier, the dividing wall of hostility, by setting aside in his flesh the law with its commands and regulations. His purpose was to create in himself one new humanity out of the two, thus making peace, and in one body to reconcile both of them to God through the cross, by which he put to death their hostility” (Ephesians 2:14-16).

A good relationship with those around you, and with our Creator, brings peace and joy into your life. This is the key to everlasting happiness.

¹ From an unknown author

² “Reconciling previously contradictory results, researchers from Penn and Princeton find a steady association between larger incomes and greater happiness for most people but a rise and plateau for an unhappy minority,” from “Does more money correlate with greater happiness?” Michele W. Berger, Penn Today, March 2023.

Questions:

1. Can we use money to buy happiness? How?
2. How can we cultivate a good relationship with family members?
3. How do you maintain healthy relationships with others?
4. How can we keep a close relationship with God?
5. Share your thoughts or comments.

Biblical Sense Economics

Mutual Benefit

“My command is this: Love each other as I have loved you” (John 15:12, NIV).

Mutual benefit refers to a situation where all parties involved gain something positive from each other through an activity. In economics, mutual benefit occurs in a market between buyers and sellers. When a transaction is completed, the buyer receives a product, and the seller receives payment. For example, during lunchtime, if you go to a pizza store and pay for a pizza, you benefit from having a meal, while the store owner benefits from the payment, covering costs and generating profit. The benefit is maximized when the transaction is voluntary, and the market is competitive.

Mutual benefit also occurs in trade between countries. When the U.S. and Mexico specialize in producing goods where they have a comparative advantage and then trade, both countries enjoy greater access to products. For instance, U.S. farmers might export soybeans and wheat to Mexico, while Mexican farmers export vegetables and fruits to the U.S. The benefits are maximized when trade is free from restrictions.

However, mutual benefit extends beyond material exchanges. Let’s explore how this principle plays out in several biblical stories.

1. The Case of Caring

In the story of Ruth and Naomi, Ruth honored both God and Naomi, her mother-in-law. Naomi, in turn, arranged a marriage for Ruth. They sought each other’s well-being out of love, and ultimately, both experienced mutual benefit. This situation wasn’t based on an exchange of goods or services but on a willingness to care for one another.

A volunteer at the Missionaries of Charity in India shared this testimony: “This is not a hospital, it’s a home. The care may be basic, but it’s not careless... I know that I will continue to work with the poor because of the satisfaction and the happiness it brings to me.”¹

2. The Case of Sharing

¹ Mother Teresa, “A Simple Path” 1995.

Boaz allowed Ruth to glean and gather grain in his field, providing food for Ruth and Naomi. This act brought peace and joy to Boaz, as he had obeyed God's command: "When you reap the harvest of your land, do not reap to the very edges of your field or gather the gleanings of your harvest. Leave them for the poor and for the foreigner residing among you. I am the Lord your God" (Leviticus 23:22). Ruth's benefit was material, while Boaz's benefit was spiritual.

3. The Case of Helping

When Paul encouraged believers in Corinth to help financially support believers in Jerusalem, he mentioned a principle of mutual benefit that would occur at different times:

"At the present time, your plenty will supply what they need, so that in turn, their plenty will supply what you need. The goal is equality" (2 Corinthians 8:14).

This teaching reflects the historical example of the Israelites helping one another during the distribution of manna in the wilderness. It also aligns with Jesus' command:

"Give, and it will be given to you. A good measure, pressed down, shaken together, running over, will be poured into your lap. For with the measure you use, it will be measured to you" (Luke 6:38).

4. The Case of Forgiving

Although Joseph was sold by his brothers, when they reunited in Egypt, he said to them:

"Don't be afraid. Am I in the place of God? You intended to harm me, but God intended it for good to accomplish what is now being done, the saving of many lives. So then, don't be afraid. I will provide for you and your children" (Genesis 50:19-21).

Joseph honored God by forgiving his brothers, and they lived in peace thereafter. Joseph's merciful and gracious act benefited both him and his brothers. Without forgiveness, bitterness can scar a person for life. As James advises:

"Bear with each other and forgive one another if any of you has a grievance against someone. Forgive as the Lord forgave you" (Colossians 3:13).

5. The Case of Prayers

As one body in Christ, we should pray for one another, as this benefits each member of the body. In the opening of his letter to the Colossians, Paul prayed for them:

“We have not stopped praying for you. We continually ask God to fill you with the knowledge of his will through all the wisdom and understanding that the Spirit gives” (Colossians 1:9).

At the end of the letter, Paul asked for their prayers:

“And pray for us, too, that God may open a door for our message, so that we may proclaim the mystery of Christ, for which I am in chains” (Colossians 4:3).

6. The Case of Gifts

Mutual benefit is magnified when Christians use their gifts to serve one another, as Paul instructs: “So in Christ we, though many, form one body, and each member belongs to all the others. We have different gifts, according to the grace given to each of us: if your gift is prophesying, then prophesy in accordance with your faith; if it is serving, then serve; if it is teaching, then teach; if it is to encourage, then give encouragement; if it is giving, then give generously; if it is to lead, do it diligently; if it is to show mercy, do it cheerfully” (Romans 12:5-8).

The source of all these actions is love. God is love, and He empowers us to love one another, which allows us to experience mutual benefit. If we love others, they may or may not love us in return. But if we do not love others, we cannot expect to receive love from them.

Questions:

1. What benefit do you receive when you go shopping? Give an example.
2. What benefit do you receive when you help someone? Give an example.
3. Do you experience mutual benefit in the church? Give an example.
4. Explain: “... remembering the words the Lord Jesus himself said: ‘It is more blessed to give than to receive’” (Acts 20:35).
5. Share your thoughts or comments.

Biblical Sense Economics

Negative Interest Rates

“If you lend money to one of my people among you who is needy, do not be like a moneylender: charge him no interest” (Exodus 22:25, NIV).

In the loanable funds market, money is transferred from lenders to borrowers and then repaid over time. The price of a loan is the interest rate, which represents the cost for the borrower and the revenue for the lender.

Inflation, which refers to the increase in the general price level of goods and services, reduces the purchasing power of money. To protect the value of their funds, lenders often account for expected inflation when determining the interest rate they will charge. In the absence of the risk, the nominal (or market) interest rate charged by a lender typically equals the real interest rate plus the inflation rate, as shown in the following formulas:

$$\text{Nominal interest rate} = \text{Real interest rate} + \text{Inflation rate} \quad (1)$$

$$\text{Real interest rate} = \text{Nominal interest rate} - \text{Inflation rate} \quad (2)$$

The real interest rate is adjusted for inflation.

For example, if a lender wants to earn a 3% real interest rate on a one-year loan and expects an inflation rate of 2%, they will charge a nominal interest rate of 5% (3% + 2%). If the actual inflation rate is 2%, the lender will earn the expected 3% real interest rate. However, if the actual inflation rate exceeds expectations, say 3%, the lender's real interest rate would fall to 2%, which is lower than desired.

Is it possible for a lender to experience a negative real interest rate? Yes, if the inflation rate exceeds the nominal interest rate. For instance, if the actual inflation rate is 6%, and the nominal interest rate is 5%, the realized real interest rate would be -1% (5% - 6%), meaning the lender loses money. This highlights the importance of accurately forecasting inflation in the lending business.

In Exodus 22:25, God commands His people not to charge interest when lending to those in need. This command was made to protect the vulnerable and prevent exploitation. During biblical times, inflation might not be a significant concern, so lending without interest would not have resulted in a loss of purchasing power.

However, in today's economy, inflation is a real-world phenomenon. If lenders were to follow this biblical command literally, they could lose purchasing power. For example, if a lender does not charge interest, the nominal interest rate would effectively be 0%. If the inflation rate is 2%, the real interest rate would be -2%. We might call this sacrificial lending.

Should we still follow God's command to lend without charging interest in today's economy? Does God understand that this is sacrificial lending? Let's see what the Bible has to say:

"He who is kind to the poor lends to the Lord, and He will reward him for what he has done" (Proverbs 19:17).

The Bible assures us that when we lend to the poor, we are lending to the Lord Himself. God sees our sacrifice and promises to reward us for our kindness. Jesus also emphasizes the importance of helping those in need, stating that "The King will reply, 'Truly I tell you, whatever you did for one of the least of these brothers and sisters of mine, you did for me'" (Matthew 25:40).

While lending without interest may result in a decrease in purchasing power due to inflation, it is important to trust that God is faithful and omniscient. When we lend sacrificially to those in need, trusting in His provision, He will meet our needs. This creates a beautiful flow of blessings: as we meet others' needs, God, in turn, meets ours.

Questions:

1. Share your experience with borrowing.
2. Share your experience with lending.
3. Discuss the microcredit model pioneered by Dr. Muhammad Yunus.
4. Discuss the idea of lending money to brothers or sisters in Christ with zero or low interest rates to pay off their credit card loans, which often have an average of 20% interest rate. Is this a good idea?
5. Share your thoughts or comments.

Biblical Sense Economics

Self-Interest

“not looking to your own interests but each of you to the interests of the others” (Philippians 2:4, NIV).

In economic analysis, economists generally assume that a seller's goal is to maximize profit. To achieve this, they produce a quantity of the product where marginal revenue equals marginal cost. Marginal revenue depends on the total revenue received from buyers, and marginal cost depends on the total costs incurred during production.

“Am I still to forget your ill-gotten treasures, you wicked house, and the short ephah, which is accursed? Shall I acquit someone with dishonest scales, with a bag of false weights?” (Micah 6:10-11).

If a seller uses deceitful weights, even if the market price is maintained, the actual quantity of the product may be less than expected. During the period of high inflation in 2022, some companies employed a strategy known as shrinkflation. For example, a chip company kept the same price for a bag of chips but reduced the number of chips inside. Unless buyers paid attention to the net weight, they would continue to believe they were getting the same quantity. While these sellers might gain more revenue in the short term, in the long run, their deceitful tactics are likely to be discovered, which can damage their reputation.

“The Lord detests dishonest scales, but accurate weights find favor with him” (Proverbs 11:1). “You must have accurate and honest weights and measures, so that you may live long in the land the Lord your God is giving you” (Deuteronomy 25:15).

When a seller uses honest and fair measures, they act in their self-interest in a way that benefits everyone. As a classical example illustrated by Adam Smith in his “The Wealth of Nations” 1776,

“It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest.”

Here, the butcher, the brewer, and the baker act in their self-interest, seeking to receive payment for their goods, but in doing so, they provide value to others.

Jeff Duzer, in his 2012 presentation *Why Business Matters to God*, emphasizes that business is a service. A Christian business owner should serve not only themselves but also customers, employees, and the community. This goes beyond mere self-interest and includes considering the interests of others. Profit is essential for business continuity, but it should be seen as a by-product of providing good service.

By combining Adam Smith's concept of self-interest with Duzer's notion of business as a service, the butcher, the brewer, and the baker would be motivated to provide not just the minimum, but the best service, understanding that customers expect high-quality meals.

Paul advises Christians to care for each other: "not looking to your own interests but each of you to the interests of the others" (Philippians 2:4). This principle can also be applied to business. Many companies today emphasize Corporate Social Responsibility (CSR), which involves considering the well-being of not only shareholders but also workers, consumers, communities, and the environment. How does this affect a company's profit? A systematic review of 53 articles from 1984 to 2021 found that "social responsibility, as measured by environmental, social, and governance (ESG) performance indicators, has a direct positive impact on companies' financial performance"¹

Jesus shared a parable that illustrates the importance of going beyond self-interest when treating workers:

"But he answered one of them, 'I am not being unfair to you, friend. Didn't you agree to work for a denarius? Take your pay and go. I want to give the one who was hired last the same as I gave you. Don't I have the right to do what I want with my own money? Or are you envious because I am generous?'" (Matthew 20: 13-15).

By paying the same daily wage to all workers regardless of when they started working, the employer demonstrates a concern for the well-being of those hired late. This act of generosity goes beyond self-interest and reflects the biblical principle of looking out for the interests of others.

¹ "The impact of social responsibility on corporate financial performance: A systematic literature review," Rui Coelho, Shital Jayantilal and Joao J. Ferreira, 2023

Questions:

1. Give an example of a seller acting on selfishness.
2. Give an example of a seller acting on self-interest.
3. Give an example of a seller acting beyond self-interest.
4. Give an example that you consider the interests of others in your decision or action.
5. Share your thoughts or comments.

Biblical Sense Economics

Short-run, Long-run, and Eternity

“Food gained by fraud tastes sweet, but one ends up with a mouth full of gravel” (Proverbs 20:17, NIV).

Every economic decision has its short-run, long-run, and even eternal effects. For example, when deciding what to eat, people can choose between healthy food or junk food. In the short run, both options might provide enjoyment, but in the long run, those who consistently choose healthy food will likely be more active and healthier than those who regularly eat junk food.

The same principle applies to business. In the years leading up to the 2008 housing market crisis, mortgage lenders introduced low “teaser rates” to capitalize on short-term profits. While these lenders saw short-term success, they ultimately suffered significant financial losses when the housing market collapsed.

Similarly, Volkswagen, a German automaker, engaged in cheating emissions tests for many years to gain an advantage in selling “clean diesel” vehicles to consumers. Eventually, their dishonest practices were exposed, and the company pleaded guilty to U.S. criminal charges, facing billions of dollars in financial liabilities.

In the realm of government, Venezuela’s GDP shrank from about \$196 billion in 2013 to approximately \$93 billion in 2022, a decrease of over 53%. Despite being rich in oil, Venezuela’s economy thrived only when oil prices were high before 2014. However, when oil prices plummeted, the government failed to adjust its spending to align with lower revenues. This, combined with poor economic management, led Venezuela’s economy to become one of the worst in the world.

Thus, individuals, companies, or governments should exercise prudence when making economic decisions. Decisions that prioritize short-term gains but result in long-term losses should be avoided.

The parable of the prodigal son, as told by Jesus, illustrates this point.

“There was a man who had two sons. The younger one said to his father, ‘Father, give me my share of the estate.’ So he divided his property between them. “Not long after that, the younger son got together all he had, set off for a distant country and there squandered his wealth in wild living. After he had spent everything, there was a severe famine in that whole country, and he began to be in need. So he

went and hired himself out to a citizen of that country, who sent him to his fields to feed pigs. He longed to fill his stomach with the pods that the pigs were eating, but no one gave him anything” (Luke 15:11-16).

The younger son wasted his father’s wealth and indulged in a life of luxury in the short run. However, when a severe famine struck, his enjoyment turned to suffering and regret.

In contrast, Zacchaeus, a chief tax collector, made a wise and righteous economic decision:

“But Zacchaeus stood up and said to the Lord, “Look, Lord! Here and now I give half of my possessions to the poor, and if I have cheated anybody out of anything, I will pay back four times the amount.” Jesus said to him, “Today salvation has come to this house, because this man, too, is a son of Abraham.”¹⁰ For the Son of Man came to seek and to save the lost” (Luke 19:8-10).

Zacchaeus not only was commended by the Lord, he was also saved for eternity.

C.T. Studd’s poem, “Only One Life, T will Soon Be Past ”, serves as a powerful reminder for Christians when making decisions:

“Only one life, ’twill soon be past,

Only what’s done for Christ will last.”¹

Questions:

1. Have you ever made any economic decisions that hurt you in the long run?
2. Have you ever made any economic decisions that benefited you in the long run?
3. Is helping the poor a good economic decision in the short run? in the long run? in eternity?
4. What are some economic decisions that have eternal value?

¹ <https://reasonsforhopejesus.com/only-one-life-twill-soon-be-past-by-c-t-studd-1860-1931/>

5. Share your thoughts or comments.

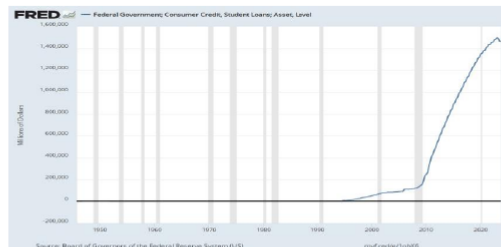
Biblical Sense Economics

Student Loans and Payday Loans

**"The rich rules over the poor, and the borrower is the slave of the lender"
(Proverbs 22:7, NIV).**

1. Student Loans

In recent years, the amount of student loan debt has risen significantly, as shown in the graph below:



Source: Board of Governors of the Federal Reserve System

Student loans are used to finance higher education and can be obtained from either the federal government or private lenders, such as banks. Below is a comparison between these two sources of loans:

Private	VS.	Federal
Source: banks, credit unions, and other financial institutions		Source: U.S. Department of Education
Higher interest rates		Lower interest rates
Higher borrowing limits		Lower borrowing limits
Not based on financial need		Based on financial need
May have to pass credit check or have a cosigner		Must submit Free Application for Federal Student Aid (FAFSA)
Less flexible repayment plans		More flexible repayment plans

Investopedia

Source: Investopedia

Borrowers of student loans are obligated to repay both the principal and the interest. On average, it takes borrowers just over 21 years to pay off their student loan debt. While higher education is a valuable investment that can lead to better employment opportunities and higher income, the long-term burden of student loan payments can negatively impact an individual's standard of living.

Ideally, parents should aim to save enough to cover their child's higher education expenses without the need for student loans. One potential savings plan involves setting aside funds annually after a child is born for 18 years to accumulate enough to cover future college costs. For example, if tuition and fees are \$16,000 today and increase by 3% each year, the total cost of attending college would be approximately \$114,000 by the time the child is ready for college. To reach this amount, parents would need to save and invest approximately \$2,300 every year for 18 years, assuming an investment return rate of 10%. Of course, tuition rates and investment returns are uncertain, so this example serves only as a reference. For the long-term well-being of a child, saving for higher education is an act of love. It not only helps children avoid the financial burden of student debt when entering the job market but also teaches them the importance of saving for the future.

2. Payday Loans

Payday loans are short-term loans designed to cover immediate expenses, typically with higher interest rates than traditional bank loans. Borrowers who resort to payday loans often have poor credit and limited options for emergency cash. The table below outlines payday loan regulations in the state of Virginia:

Legal Status	Legal
Annual Percentage Rate (APR)	36%
Minimum Loan Amount	Not specified
Maximum Loan Amount	\$2,500
Minimum Loan Term	4 months
Maximum Loan Term	24 months
Finance Charges	The maintenance fee up to 8% or \$25 (monthly) Total costs are not more than 50%

Source: UStatesLoan.org

To calculate the total cost of a \$100 payday loan over a 4-month period, we can observe that the total cost of the loan is \$37, which includes \$12 in interest (calculated as $\$100 * 36\%/3$) and a \$25 maintenance fee. In other words, an individual who borrows \$100 will end up paying back \$137 after 4 months, which equates to an annual percentage yield (APY) of 111%! Despite state regulations, the financial burden imposed by payday loans can be overwhelming for individuals in need.

Churches can play a role in providing financial assistance to those facing immediate expenses by adhering to biblical principles of lending. Several biblical teachings guide lending practices, emphasizing generosity towards the poor and refraining from charging interest to those in need:

“If you lend money to any of my people who is poor, you shall not be like a moneylender to him, and you shall not exact interest from him” (Exodus 22:25).

“You shall not charge interest on loans to your brother, interest on money, interest on food, interest on anything that is lent for interest. You may charge a foreigner interest, but you may not charge your brother interest, that the Lord your God may bless you in all that you undertake in the land that you are entering to take possession of it” (Deuteronomy 23:19-20).

“Whoever is generous to the poor lends to the Lord, and he will repay him for his deed” (Proverbs 19:17).

Churches can establish funds to follow these principles when assisting individuals with financial needs. By offering interest-free loans and requiring financial education courses for borrowers, churches can help prevent reliance on payday loans and address other financial challenges, such as credit card debt.

Questions:

1. What is your perspective on student loans?
2. How do you view payday loans?
3. What were your experiences with borrowing money?
4. What were your experiences with lending money to others?
5. Share your thoughts or comments.

Biblical Sense Economics

The Best Investment

“Whoever is kind to the poor lends to the LORD, and he will reward them for what they have done” (Proverbs 19:17, NIV).

We have time, talent, and treasure to invest in. We invest our treasure—simply put, money—for a return. Different investments yield different kinds of returns. For example, if you have \$10,000, how will you invest it? Below is a table showing some potential investments and their respective returns:

Investment choice	Monetary rate of return (%)	Nonmonetary return
Certificate of deposit (CD)	2%	Happiness
Stock A	5	Happiness
Stock B	-3	Sadness
Mutual fund	3	Happiness
Micro-loan ¹	1	Joy People's lives improved
God's work Help the needy	> 0 (God decides)	Joy People are saved Lives changed Eternal value

Investing in a certificate of deposit (CD) offers a certain return because it is insured by the FDIC (Federal Deposit Insurance Corporation). However, the returns from stocks or mutual funds can be more volatile, could be positive or negative, due to the risks involved. A micro-loan investment may offer a lower monetary return, but the joy of knowing people's lives were improved makes it a worthwhile investment. The investment in God's work and helping the needy results in seeing people saved and lives changed, which is surely a joyful outcome with eternal value. Additionally, we trust God for a positive monetary return.

¹ Muhammad Yunus is often considered the father of microfinance. In 2006, he won the Nobel Prize for his "efforts through microcredit to create economic and social development from below."

So, which of these investments is the best? Let's turn to the Bible for guidance:

"Sell your possessions and give to the poor. Provide purses for yourselves that will not wear out, a treasure in heaven that will not be exhausted, where no thief comes near and no moth destroys" (Luke 12:33).

Storing up treasure on earth is risky, but storing up treasure in heaven is secure. While the value (purchasing power) of money invested in CDs, stocks, or mutual funds may fluctuate due to inflation and risk, money invested in helping the poor and in God's work will undoubtedly change lives for the better—without any risk.

There's one more important point: when we help the poor, we are lending to the best borrower—the Lord Himself.

"Whoever is kind to the poor lends to the LORD, and he will reward them for what they have done" (Proverbs 19:17).

Jesus also illustrates this principle through the following parable:

"Then the righteous will answer him, 'Lord, when did we see you hungry and feed you, or thirsty and give you something to drink? When did we see you a stranger and invite you in, or needing clothes and clothe you? When did we see you sick or in prison and go to visit you?' 'The King will reply, 'Truly I tell you, whatever you did for one of the least of these brothers and sisters of mine, you did for me'" (Matthew 25:37-40).

As followers of Christ, we are called to love God and contribute to His work. We are also called to love others and use our resources to help the needy. These are the best investments. When we do these, we are obeying God's commandments:

"Jesus replied: Love the Lord your God with all your heart and with all your soul and with all your mind. This is the first and greatest commandment. And the second is like it: Love your neighbor as yourself. All the Law and the Prophets hang on these two commandments" (Matthew 22:37-40).

Questions:

1. If you had \$10,000 now, what would you invest in?

2. Is education a good investment? Why or why not?
3. Why do students raise funds for mission trips?
4. Are there some investments that promise good rates of return but might be poor investments for Christians?
5. Share your thoughts or comments.

Biblical Sense Economics

The Best Lender

“Go to the ant, you sluggard; consider its ways and be wise! It has no commander, no overseer or ruler, yet it stores its provisions in summer and gathers its food at harvest” (Proverbs 6:6-8 NIV).

Consider the implications of debt. The following table illustrates the total interest payments on a 4-year, \$15,000 car loan at various interest rates:

Interest rate	Interest payment	Interest payment/principal
6%	\$1,909	12.7%
7	2,241	14.9
8	2,577	17.2
9	2,913	19.4
10	3,261	21.7

As the table shows, the total interest paid can be a significant percentage of the original loan amount. For instance, at an 8% interest rate, the interest payment is 17.2% of the principal (this calculation doesn't account for the time value of money). Imagine, however, if you had saved \$15,000 instead. You could purchase the car outright, avoiding interest payments altogether. This highlights one of the key benefits of saving.

Saving stems from income. If we analyze an individual's monthly gross income, we find deductions like taxes, retirement contributions, and insurance, leaving the remaining take-home (net) income. It's this net income that we can allocate. For Christians, a biblically-sound approach prioritizes giving to God's work, then saving, and finally spending.

Christians acknowledge that our income is a gift from God. Giving to God's work expresses gratitude and supports His kingdom. King David understood this when he prayed after the Israelites contributed generously to building the temple: “But who am I, and who are my people, that we should be able to give as generously as this? Everything comes from you, and we have given you only what comes from your hand” (1 Chronicles 29:14).

After contribution to God's work, we should set aside part of the income for saving before spending. Savings provide capital for investments and ensure our future needs are met. These future needs might include significant purchases, children's education, retirement, unexpected emergencies, and opportunities to help others. The COVID-19 pandemic in 2021 tragically illustrated this point. Many businesses closed, and workers lost their income. Those without savings faced severe financial hardship.

The wisdom of saving is echoed in the natural world: "It [the ant] has no commander, no overseer or ruler, yet it stores its provisions in summer and gathers its food at harvest" (Proverbs 6:7-8). God's creation offers a valuable lesson. Ants instinctively gather food in preparation for winter – a powerful reminder to plan for the future.

Consider the story of Jesus feeding the five thousand plus:

"We have here only five loaves of bread and two fish," they answered. "Bring them here to me," he said. And he directed the people to sit down on the grass. Taking the five loaves and the two fish and looking up to heaven, he gave thanks and broke the loaves. Then he gave them to the disciples, and the disciples gave them to the people. They all ate and were satisfied, and the disciples picked up twelve basketfuls of broken pieces that were left over. The number of those who ate was about five thousand men, besides women and children" (Matthew 14: 17-21).

After everyone was fed, Jesus instructed his disciples to gather the leftovers, resulting in twelve baskets full of fragments. Jesus taught his disciples not to waste but to save. Later, when feeding four thousand plus, the disciples remembered this lesson: "They all ate and were satisfied. Afterward the disciples picked up seven basketfuls of broken pieces that were left over" (Matthew 15:37).

After contributing to God's work and saving, the remaining income can be allocated to spending. When spending, we must exercise wisdom, avoiding goods or services that could harm us spiritually, mentally, or physically. The Bible cautions us:

"Wine is a mocker and beer a brawler; whoever is led astray by them is not wise" (Proverbs 20:1).

Without savings, individuals often find themselves burdened by debt and vulnerable to financial hardship. Conversely, having savings allows us to "borrow

from ourselves," eliminating the need to repay interest and principal to outside lenders. The best lender, then, is ourselves!

Questions:

1. Why is saving important from both a practical and a spiritual perspective?
2. Describe a time when you borrowed money and the impact it had on your finances.
3. What percentage of your income do you currently save? What are some strategies for increasing your savings rate?
4. Why does prioritizing giving to God's work, saving, and spending align with biblical principles of stewardship?
5. Share your thoughts or comments.

Biblical Sense Economics

The Invisible Hand

“The tablets were the work of God; the writing was the writing of God, engraved on the tablets” (Exodus 32:16, NIV).

In Adam Smith’s “An Inquiry into the Nature and Causes of the Wealth of Nations”, he discussed the concept of the invisible hand. Smith argued that individuals, in their pursuit of self-interest, inadvertently promote the well-being of society. He states:

“Every individual is continually exerting himself to find out the most advantageous employment for whatever capital he can command. It is his own advantage, indeed, and not that of the society, which he has in view. But the study of his own advantage naturally, or rather necessarily, leads him to prefer that employment which is most advantageous to the society. . . . He intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. Nor is it always the worse for society that it was no part of his intention. By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it.”¹

In other words, individual pursuit of self-interest can benefit both the individual and society. However, due to human sinful nature, this pursuit is not without constraints. Economic historian Jeffrey Young points out that “the frugal, self-interested man of Wealth of Nations is also the prudent man of Theory of Moral Sentiments, and self-interest in both is to be understood as ‘proper regard for self’—that degree of self-love which elicits the approval of the impartial spectator because it does not harm to others.”²

From a Christian perspective, wealth and self-interest align with this idea. “The unconstrained pursuit of self-interest may harm others. Only the pursuit of self-interest that is constrained by the approval of others, the market competition, and the jurisprudence system would benefit the society.”³

¹ Adam Smith, *An Inquiry into the nature and causes of the Wealth of Nations*

² Jeffrey Young, *Economics as a Moral Science: The Political Economy of Adam Smith* (Cheltenham, U.D. Edward Elgar, 1997), p.24.

³ John Stapleford, *Bulls, Bears, and Golden Calves* (IVP Academic, 2009), p.41.

In addition to these constraints imposed by the public, market, and government, there is another constraint: the Ten Commandments, written by God's invisible hand.

"Moses turned and went down the mountain with the two tablets of the covenant law in his hands. They were inscribed on both sides, front and back. The tablets were the work of God; the writing was the writing of God, engraved on the tablets" (Exodus 32:15-16).

When questioned by an expert in the law, Jesus pointed out two fundamental commands.

"Hearing that Jesus had silenced the Sadducees, the Pharisees got together. One of them, an expert in the law, tested him with this question: 'Teacher, which is the greatest commandment in the Law?' Jesus replied: 'Love the Lord your God with all your heart and with all your soul and with all your mind. This is the first and greatest commandment. And the second is like it: 'Love your neighbor as yourself.' All the Law and the Prophets hang on these two commandments'" (Matthew 22:34-40).

If an individual or nation disregards God's commands while pursuing self-interest, even in the absence of external constraints, God will judge their actions. This is evident in the story of King Ahab, who stole Naboth's vineyard and ultimately lost his life consequently:

"Then the word of the LORD came to Elijah the Tishbite: Go down to meet Ahab king of Israel, who rules in Samaria. He is now in Naboth's vineyard, where he has gone to take possession of it. Say to him, 'This is what the LORD says: Have you not murdered a man and seized his property?' Then say to him, 'This is what the LORD says: In the place where dogs licked up Naboth's blood, dogs will lick up your blood—yes, yours!'" (1 Kings 21:17-20).

Similarly, the story of Ephraim highlights the consequences of pursuing self-interest without regard for God's commands:

"The merchant uses dishonest scales and loves to defraud. Ephraim boasts, 'I am very rich; I have become wealthy. With all my wealth they will not find in me any iniquity or sin.' I have been the LORD your God ever since you came out

of Egypt; I will make you live in tents again, as in the days of your appointed festivals” (Hosea 12:7-9).

On the other hand, if an individual or nation follows God’s commands while pursuing self-interest, God will bless them. This is evident in the story of Zacchaeus; a chief tax collector who repented and chose to do what was right:

“But Zacchaeus stood up and said to the Lord, ‘Look, Lord! Here and now I give half of my possessions to the poor, and if I have cheated anybody out of anything, I will pay back four times the amount.’ Jesus said to him, ‘Today salvation has come to this house, because this man, too, is a son of Abraham’” (Luke 19:8-9).

God also blessed King Jehoshaphat and his kingdom when he followed God's commands:

“The LORD was with Jehoshaphat because he followed the ways of his father David before him. He did not consult the Baals but sought the God of his father and followed his commands rather than the practices of Israel. The Lord established the kingdom under his control; and all Judah brought gifts to Jehoshaphat, so that he had great wealth and honor. His heart was devoted to the ways of the LORD; furthermore, he removed the high places and the Asherah poles from Judah” (2 Chronicles 17:3-6).

God used His invisible hand to write the Ten Commandments. When individuals or nations follow His commands while pursuing self-interest, they will be blessed. However, failure to do so may lead to judgment.

Questions:

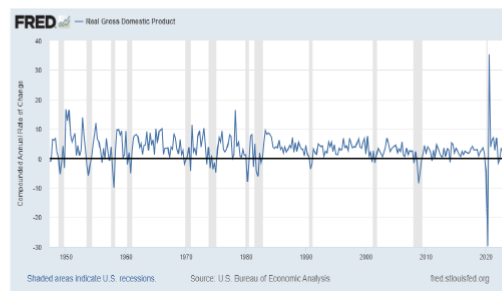
1. What is the difference between self-interest and being selfish?
2. Is it wrong for a Christian to exhibit self-interest? Why or why not?
3. How could a nation receive blessings from God?
4. Is God’s Word authoritative, even if it isn’t written by the “invisible hand,” such as the Ten Commandments?
5. Share your thoughts or comments.

Biblical Sense Economics

The Nation's Economic Pulse

“The blessing of the LORD brings wealth, without painful toil for it” (Proverbs 10:22, NIV).

A nation's economic growth is comparable to a person's pulse—its fluctuations provide insight into its overall health condition.



Source: The Federal Reserve of St. Louis

The real gross domestic product (GDP) is the total market value of all final goods and services produced by a nation, adjusted for the change in the price level, in a given period of time. The growth rate of real GDP is a measure of a nation's economic growth (see the graph above).

In the U.S., real GDP has grown at an average rate of approximately 3% since the 1960s, characterized by economic expansions and contractions. Short-run fluctuations in economic growth are referred to as the business cycle, driven by market conditions and government policies. In the long run, a nation's economic growth depends on the real variables such as the quantity and quality of resources, the level of technology, and institutional arrangements.

As economies grow, a nation produces more goods and services, benefiting their people. However, economic growth also comes with costs—overwork, creative destruction, and environmental degradation. A nation that focuses solely on growth, without considering these costs, may miss out on the true blessings God intends.

The United Nations' annual World Happiness Report measures happiness based on six factors: GDP per capita, social support, healthy life expectancy, freedom, generosity, and absence of corruption. While GDP is important, it does not equal happiness.

What are the true blessings from God?

"The blessing of the LORD brings wealth, without painful toil for it" (Proverbs 10:22).

God's promises blessings to Israel go beyond economic prosperity; they include peace, favorable seasons, and stability. As stated in the Bible:

"All these blessings will come on you and accompany you if you obey the LORD your God: ... Your basket and your kneading trough will be blessed. ... The LORD will grant that the enemies who rise up against you will be defeated before you. ... The LORD will send a blessing on your barns and on everything you put your hand to. ... The LORD will grant you abundant prosperity. The LORD will open the heavens, the storehouse of his bounty, to send rain on your land in season and to bless all the work of your hands. You will lend to many nations but will borrow from none" (Deuteronomy 28:2-12).

"Blessed is the nation whose God is the LORD" (Psalms 33:12a).

Worshiping the Lord and following His commands should be the primary focus of a nation, not solely the pursuit of economic growth. This concept holds true for individuals as well. We need to care not only for our bodies but also to keep our minds and spirits healthy.

Questions:

1. Are Christian believers promised financial blessings according to the Bible?
2. Are God's blessings always tangible and financial?
3. What are possible problems of pursuing higher economic growth?
4. How might one receive the Lord's blessing as stated in Proverbs 10:22?
5. Share your thoughts or comments.

Biblical Sense Economics

The Opportuning Cost

“What good is it for someone to gain the whole world, and yet lose or forfeit their very self?” (Luke 9:25, NIV).

When making decisions, it is essential to understand the concept of opportunity cost. Opportunity cost refers to the value of the highest alternative that we forgo when choosing one option over another. To illustrate this, imagine a student who has three activities to choose from on a Monday morning from 9 a.m. to 10 a.m. — attending economics class, studying for a test, or sleeping. If the student decides to attend the class, they give up the opportunity to either study or sleep. Assume the student values studying at \$20 and sleeping at \$30. In this case, the opportunity cost of attending the economics class would be \$30, as it is the highest-value activity they are sacrificing.

Moreover, by choosing to attend the class, the student implicitly values the class at more than \$30. Conversely, if the student decides to skip the class and sleep, this suggests they value the class less than \$30. This example illustrates that opportunity cost is present in every choice we make.

It is crucial to compare the value of the activity we choose with the opportunity cost. For instance, consider an individual deciding whether to start a business that is expected to generate an annual profit of \$50,000 or to work for a company offering a \$60,000 salary. The opportunity cost of starting the business would be \$60,000, which is greater than the potential \$50,000 profit. Assuming all other factors are equal, working for the company would be the more advantageous choice.

Failing to consider the opportunity cost can negatively impact on our lives. Jesus asked, “What good is it for someone to gain the whole world, and yet lose or forfeit their very self?” (Luke 9:25). For someone who gains the world but loses their soul, the opportunity cost would be eternal life. When one realizes the value of eternal life, they would choose God over the world.

1. Moses

“By faith Moses, when he had grown up, refused to be known as the son of Pharaoh’s daughter. He chose to be mistreated along with the people of God rather than to enjoy the fleeting pleasures of sin. He regarded disgrace for the sake of Christ as of greater value than the treasures of Egypt, because he was looking ahead to his reward” (Hebrews 11: 24-26).

Moses, by faith, recognized that the reward from God far outweighed the earthly pleasures he gave up, including the pleasure of sin and the treasures of Egypt.

2. Daniel

Another example comes from the Book of Daniel: “But Daniel resolved not to defile himself with the royal food and wine, and he asked the chief official for permission not to defile himself this way... “Please test your servants for ten days: Give us nothing but vegetables to eat and water to drink... At the end of the ten days they looked healthier and better nourished than any of the young men who ate the royal food” (Daniel 1: 8, 12, & 15).

Here, Daniel and his friends chose to give up the king's delicacies and wine, understanding the opportunity cost of their decision. In the end, God blessed their choice, and they appeared healthier than the others.

3. Paul

When Paul decided to follow Jesus completely, the opportunity cost was everything. “What is more, I consider everything a loss because of the surpassing worth of knowing Christ Jesus my Lord, for whose sake I have lost all things. I consider them garbage, that I may gain Christ” (Philippians 3:8). Paul understood the true value of knowing Christ and considered all earthly things as worthless compared to the treasure of knowing Him.

4. Jesus

To save humanity, Jesus Christ, our Savior and Lord, descended from heaven as the Son of Man. He relinquished the glory He had before the creation of the world and lived as an ordinary man on earth. “For you know the grace of our Lord Jesus Christ, that though He was rich, yet for your sakes He became poor, that you through His poverty might become rich” (2 Corinthians 8:9).

From the examples of Moses, Daniel, Paul, and Jesus, we can learn to make wise choices, knowing there is an opportunity cost involved. In our daily lives, we are instructed to “So I say, walk by the Spirit, and you will not gratify the desires of the flesh.” (Galatians 5: 16). The opportunity cost of walking in the Spirit is the earthly pleasures derived from indulging in the desires of the flesh. By comparing the fruit of the Spirit with the works of the flesh, we can make better choices. “The acts of the flesh are obvious: sexual immorality, impurity and debauchery; idolatry and witchcraft; hatred, discord, jealousy, fits of rage, selfish ambition, dissensions, factions and envy; drunkenness, orgies, and the like. I warn you, as I did before, that those who live like this will not inherit the kingdom of God. But the fruit of the Spirit is love, joy, peace, forbearance, kindness, goodness, faithfulness, gentleness and self-control. Against such things there is no law” (Galatians 5: 19-23).

Questions:

1. What is the opportunity cost of attending college?
2. What is the opportunity cost of going home instead of working overtime for two hours?
3. Share an example of the opportunity cost of a choice you made.
4. What is the opportunity cost of walking with the Holy Spirit?
5. Share your thoughts or comments.

The Most Important Economic Unit – Family

“All Scripture is God-breathed and is useful for teaching, rebuking, correcting and training in righteousness, so that the servant of God may be thoroughly equipped for every good work” (2 Timothy 3:16-17, NIV).

Families today face a variety of economic or financial challenges, including unemployment, debt, medical expenses, and poverty. The best way to address these challenges is through prevention, and God has provided guidance on how to avoid these issues. The responsibility for teaching children to follow God’s ways lies primarily with the family, not schools, governments, or society. As the Bible says, “Start children off on the way they should go, and even when they are old, they will not turn from it” (Proverbs 22:6). Addressing these issues not only benefits the family but also contributes to the well-being of society and the economy.

1. Unemployment

Unemployment can lead to significant financial stress, affecting both physical and mental well-being. Education and training are key factors in securing employment. Studies show that higher education levels correlate with higher incomes and lower unemployment rates. Parents should nurture their children's talents and encourage them to pursue higher education to equip them with the skills needed in our rapidly changing world.

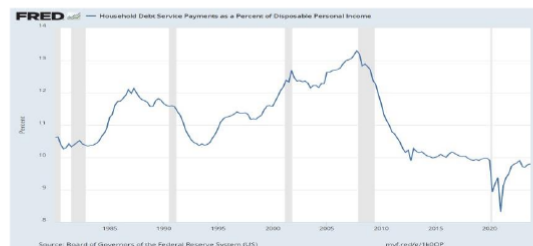
The following table shows individuals with a bachelor's degree will earn higher income and face lower unemployment.

Educational attainment	Unemployment rate 2023	Median usually weekly earnings 2023
Less than a high school diploma	5.6%	\$708
High school graduates, no college	3.9	899
Some college, no degree	3.3	992
Bachelor’s degree	2.2	1,493

Source: Bureau of Labor Statistics

2. Debt

Household debt includes consumer debt and mortgage debt. The following graph shows that household debt service payments as a percentage of disposable income (DSP) declined after the 2008 Great Recession and stabilized, except during the 2020 recession.



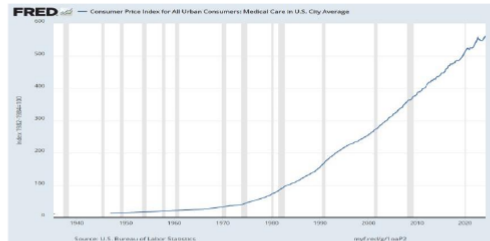
Source: Federal Reserve Bank of St. Louis

While mortgage debt may be necessary for purchasing a home, consumer debt should be avoided, as it involves borrowing for goods and services and leads to financial burdens from interest payments.

To reduce debt, households should prioritize living within their means and use savings to pay off debts. We must also remember the biblical warning: “The rich rule over the poor, and the borrower is slave to the lender” (Proverbs 22:7).

3. Medical Care

Household spending on medical care is a significant component of the consumer price index. The long-term trend for medical care spending continues to rise steadily, as shown in the graph below.



Source: U.S. Bureau of Labor Statistics

Maintaining a healthy lifestyle can help reduce the need for medical care. Smoking and obesity are major preventable causes of death in the U.S. Parents should set a healthy example for their children by practicing good habits, such as not smoking, maintaining a healthy diet, exercising, and getting enough sleep. Investing in healthy food is a more cost-effective approach than facing high medical expenses in the future.

4. Poverty

Family structure plays a significant role in the living conditions of children. Data shows that children living with unmarried or single parents, especially mothers, have higher poverty rates. In contrast, children in two-parent families—particularly those with married parents—tend to have the lowest poverty rates.

The following data shows the poverty status of children under 18 by family structure in 2021:

Living arrangement	Percent below poverty level
All Types	16.0
Two parents	9.5
Married	7.5
Unmarried	37.5
Single parent	31.7
Mother only	35.0
Father only	17.4

Neither parent	28.4
----------------	------

Source: Office of Juvenile Justice and Delinquency Prevention

This highlights the importance of marriage in providing financial stability and reducing poverty. As God instructs about marriage: “That is why a man leaves his father and mother and is united to his wife, and they become one flesh” (Genesis 2:24).

Better education, prudent spending habits, and a healthy lifestyle within the context of marriage can improve a family's financial position, creating positive effects on both society and the economy. Following biblical principles in managing these aspects can lead to lasting prosperity and stability.

Questions:

1. Why is education important?
2. How do you control your spending?
3. How do you maintain a healthy lifestyle?
4. How can poverty be avoided?
5. Share your thoughts or comments.

Biblical Sense Economics

The Rich vs. the Poor

“You say, ‘I am rich; I have acquired wealth and do not need a thing.’ But you do not realize that you are wretched, pitiful, poor, blind and naked” (Revelation 3:17, NIV).

In the United States, income levels typically categorize individuals as rich, middle class, or poor. Income inequality has been on the rise, with the rich becoming richer and the poor becoming poorer. However, it is important to recognize that income mobility exists, allowing individuals to move between different income brackets. In other words, the rich do not always remain rich, and the poor do not always stay poor.

A person born into a wealthy family may squander their inherited wealth and eventually become poor. On the other hand, someone raised in a poor family can acquire skills, work hard, and potentially rise to the middle class or even become wealthy.

Furthermore, perceptions of wealth and poverty are subjective and can vary from person to person. For example, if someone desires \$100 but only has \$50, they may consider themselves poor. But if another person desires \$40 and has \$50, they may feel rich.

How about God’s view on the rich and the poor? It is quite different from our earthly perspectives or common sense.

“Then he said to them, “Watch out! Be on your guard against all kinds of greed; life does not consist in an abundance of possessions.” And he told them this parable: “The ground of a certain rich man yielded an abundant harvest. He thought to himself, ‘What shall I do? I have no place to store my crops.’ “Then he said, ‘This is what I’ll do. I will tear down my barns and build bigger ones, and there I will store my surplus grain. And I’ll say to myself, “You have plenty of grain laid up for many years. Take life easy; eat, drink and be merry” “But God said to him, ‘You fool! This very night your life will be demanded from you. Then who will get what you have prepared for yourself?’ “This is how it will be with whoever stores up things for themselves but is not rich toward God” (Luke 12:15-21).

By earthly standards, this man is rich, but in God's eyes, he is poor because he is focused solely on his own comfort and wealth.

And this is what God told to the church in Laodicea:

"You say, 'I am rich; I have acquired wealth and do not need a thing.' But you do not realize that you are wretched, pitiful, poor, blind and naked" (Revelation 3:17).

In the story of the rich man and the beggar Lazarus, Jesus warns us that wealth cannot save a person from eternal punishment unless he or she repents (Luke 16:19-31).

So, how can we be rich toward God? First, we must recognize that we need God.

"Blessed are the poor in spirit, for theirs is the kingdom of heaven" (Matthew 5:3).

Then, we should use our wealth to bless others and be rich in good deeds.

"Command those who are rich in this present world not to be arrogant nor to put their hope in wealth, which is so uncertain, but to put their hope in God, who richly provides us with everything for our enjoyment. Command them to do good, to be rich in good deeds, and to be generous and willing to share. In this way they will lay up treasure for themselves as a firm foundation for the coming age, so that they may take hold of the life that is truly life" (1 Timothy 6:17-19).

As Jesus said, "Do not store up for yourselves treasures on earth, where moths and vermin destroy, and where thieves break in and steal. But store up for yourselves treasures in heaven, where moths and vermin do not destroy, and where thieves do not break in and steal" (Matthew 6:19-20).

Material possessions may provide temporary comfort and security, but true richness lies in recognizing our dependence on God and using our resources to bless others.

Questions:

1. Could a person be earthly poor but heavenly rich?
2. Could a person be earthly rich and heavenly rich?
3. Does God call Christians to be rich or poor?

4. Share any sermon you have heard about money?
5. Share your thoughts or comments.

Biblical Sense Economics

The Right Order of Helping the Poor

“When you reap the harvest of your land, do not reap to the very edges of your field or gather the gleanings of your harvest. Do not go over your vineyard a second time or pick up the grapes that have fallen. Leave them for the poor and the foreigner. I am the LORD your God” (Leviticus 19:9-10, NIV).

When God blesses us with a harvest and we have gathered enough for ourselves, the remainder should be left for the needy, even though the harvest belongs to us. The key point here is that God calls us to care for the poor when we are able.

A beautiful example of people helping others can be found in the book of Ruth:

“As she (Ruth) got up to glean, Boaz gave orders to his men, “Let her gather among the sheaves and don’t reprimand her. Even pull out some stalks for her from the bundles and leave them for her to pick up, and don’t rebuke her” (Ruth 2:15-16).

Boaz not only obeyed God’s command, but also went above and beyond to help Ruth.

In a domestic economy, there are three main units: households, businesses, and governments. How do these units interact to help the needy?

“Give proper recognition to those widows who are really in need. But if a widow has children or grandchildren, these should learn first of all to put their religion into practice by caring for their own family and so repaying their parents and grandparents, for this is pleasing to God. ... Anyone who does not provide for their relatives, and especially for their own household, has denied the faith and is worse than an unbeliever” (1 Timothy 5:4-8).

The instruction here is clear: If an individual is in need, the first help should come from their immediate family. To help others effectively, we need to know who is genuinely in need, and members of a household are best equipped to assess this. There is another reason why helping the needy should start within the household.

“If any woman who is a believer has widows in her care, she should continue to help them and not let the church be burdened with them, so that the church can help those widows who are really in need” (I Timothy 5:16).

Churches should provide assistance when the household is unable.

In today’s economy, businesses and nonprofit charitable organizations also contribute financially to help the needy. But what is the role of government in this issue? The government’s role should be the last resort. It should step in only when households, businesses, and nonprofit organizations together are unable to provide enough assistance. This approach emphasizes the importance of individual responsibility and a collective effort to address poverty and care for the needy.

Questions:

1. Do you agree that the government should be the last resort in caring for the needy?
2. Since American taxpayers already fund for government assistance programs for the poor, should this alter how Christians help the poor?
3. Share your experience of helping a member of your household.
4. Share your experience of helping the poor who are not in your household.
5. Share your thoughts or comments.

Biblical Sense Economics

Too Little?

“But a poor widow came and put in two very small copper coins, worth only a few cents. Calling his disciples to him, Jesus said, “Truly I tell you, this poor widow has put more into the treasury than all the others. They all gave out of their wealth; but she, out of her poverty, put in everything—all she had to live on” (Mark 12:42-44, NIV).

“A tithe of everything from the land, whether grain from the soil or fruit from the trees, belongs to the Lord; it is holy to the Lord” (Leviticus 27:30).

Suppose there are two farmers, Kevin and Tom. For a given year, Kevin harvests 1,000 pounds of apples, while Tom harvests 10,000 pounds. If God’s law says that the first 1,000 pounds of the fruit, a fixed amount, belong to the Lord, then Kevin will have nothing left. Instead, the law says that the first 10% of the fruit belongs to the Lord. Kevin would contribute 100 pounds, leaving him with 900 pounds, while Tom would contribute 1,000 pounds, leaving him with 9,000 pounds. At first glance, it might seem like Kevin contributes much less than Tom. However, the key difference is that Kevin has a smaller harvest. A fixed percentage, 10%, is more equitable than a fixed amount, 1,000 pounds.

Both Kevin and Tom are free to contribute more than the required 10%. This was exemplified by the poor widow. Jesus’ disciples might have thought she gave too little, but Jesus pointed out that she had given far more than anyone else because she gave all she had to live on. She offered 100% of what she had. Her love for God was profound.

You may also be familiar with the story of Jesus feeding the 5,000 plus. In this story, there were only five small barley loaves and two small fish available. Andrew spoke up, saying, “Here is a boy with five small barley loaves and two small fish, but how far will they go among so many?” (John 6:8-9). In Andrew’s judgment, the boy’s offering seemed too little, even though it was the boy’s 100%. But once in Jesus’ hands, this small offering became more than enough. “Jesus then took the loaves, gave thanks, and distributed to those who were seated as much as they wanted. He did the same with the fish. When they had all had enough

to eat, he said to his disciples, ‘Gather the pieces that are left over. Let nothing be wasted’” (John 6:11-12).

Is a cup of cold water too little? See what Jesus said, “And if anyone gives even a cup of cold water to one of these little ones who is my disciple, truly I tell you, that person will certainly not lose their reward” (Matthew 10:42).

When a college student generously contributes \$50 to help the poor in Honduras, a less developed country, he may think it’s too little. According to a World Bank document, in 2024, nearly one in six Hondurans lived on less than US \$1.90 per day, the international poverty line. A \$50 contribution could help a poor person cover nearly a month’s living expenses.

On November 3, 2023, a magnitude 5.7 earthquake struck Jajarkot District, Karnali Province, Nepal, destroying several church buildings. Brothers and sisters from a local church in Virginia contributed \$3,000 to help rebuild three churches in Nepal. Could \$1,000 even build a church in the U.S.?

More importantly, love should be our motivation for offering to God. We believe the poor widow and the little boy gave because they loved God first. As Mother Teresa said, “Not all of us can do great things, but we can do small things with great love.” And as Paul taught in the Bible, “If I give all I possess to the poor... but do not have love, I gain nothing” (1 Corinthians 13:3).

Questions

1. Do you think God will take care of the poor widow who offered two small copper coins? Why?
2. Did the little boy have a good dinner after he offered what he had?
3. How can we cultivate a heart of generosity?
4. Share your giving experience.
5. Share your thoughts or comments.

Biblical Sense Economics

What is Money Good For?

“For the love of money is a root of all kinds of evil. Some people, eager for money, have wandered from the faith and pierced themselves with many griefs” (I Timothy 6:10, NIV).

Money has three primary functions: as a medium of exchange (used to purchase goods and services), as a unit of account (used to express the price of a product), and as a store of value (to preserve the purchasing power). The key difference between money and other assets is that money is universally accepted as a medium of exchange.

Money itself is morally neutral, neither inherently evil nor good. However, it can be used for either evil or good purpose.

For evil:

The chief priests used thirty pieces of silver to have Judas betray Jesus.

“Then one of the Twelve—the one called Judas Iscariot—went to the chief priests and asked, “What are you willing to give me if I deliver him over to you?” So they counted out for him thirty pieces of silver. From then on Judas watched for an opportunity to hand him over” (Matthew 26:14-16).

Bala attempted to hire Balaam to curse the Israelites.

“The elders of Moab and Midian left, taking with them the fee for divination. When they came to Balaam, they told him what Balak had said” (Numbers 22:7).

For good:

A woman used money to buy an alabaster jar of perfume and offered it to Jesus.

“While Jesus was in Bethany in the home of Simon the Leper, a woman came to him with an alabaster jar of very expensive perfume, which she poured on his head as he was reclining at the table.... When she poured this perfume on my body, she did it to prepare me for burial” (Matthew 26:6-7, 12).

A Samaritan used money to care for an injured man.

“The next day he took out two denarii and gave them to the innkeeper. ‘Look after him,’ he said, ‘and when I return, I will reimburse you for any extra expense you may have’ (Luke 10:35).

Jesus warns us that we cannot love both God and money at the same time:

“No one can serve two masters. Either you will hate the one and love the other, or you will be devoted to the one and despise the other. You cannot serve both God and money” (Matthew 6:24).

When we focus solely on our own desires, we often strive to earn as much money as possible to satisfy ourselves. However, this pursuit can lead to a trap, as Paul instructed Timothy:

“Those who want to get rich fall into temptation and a trap and into many foolish and harmful desires that plunge people into ruin and destruction. For the love of money is a root of all kinds of evil. Some people, eager for money, have wandered from the faith and pierced themselves with many griefs” (1 Timothy 6:9-10).

It is unwise to use money solely for our own benefit. Instead, money should be utilized for noble purposes such as expanding God’s kingdom, supporting our families, and helping those in need.

“Command those who are rich in this present world ... to do good, to be rich in good deeds, and to be generous and willing to share. In this way they will lay up treasure for themselves as a firm foundation for the coming age, so that they may take hold of the life that is truly life” (1 Timothy 6:17-19).

Indeed, the love of God is the root of all kinds of good.

Questions:

1. Is money good or evil?
2. How might you correct a friend who says, “Money is the root of all kinds of evil”?
3. How might one use money wisely?

4. Would you argue that the woman who broke the alabaster jar of very expensive perfume on Jesus' head was being wasteful? Why or why not?
5. Share your thoughts or comments.

Biblical Sense Economics

What Not to Produce

“Of what value is an idol carved by a craftsman? Or an image that teaches lies? For the one who makes it trusts in his own creation; he makes idols that cannot speak. Woe to him who says to wood, ‘Come to life!’ Or to lifeless stone, ‘Wake up!’ Can it give guidance? It is covered with gold and silver; there is no breath in it” (Habakkuk 2:18-19, NIV).

We utilize resources to produce goods and services, including natural resources, human resources, and capital resources.

God first created natural resources such as land, oceans, rivers, minerals, and trees.

“In the beginning God created the heavens and the earth.... And God said, “Let the water under the sky be gathered to one place, and let dry ground appear.” And it was so. God called the dry ground “land,” and the gathered waters he called “seas.” And God saw that it was good” (Genesis 1:1, 9-10).

God then created human beings, also known as human resources.

“Then God said, “Let us make mankind in our image, in our likeness, so that they may rule over the fish in the sea and the birds in the sky, over the livestock and all the wild animals, and over all the creatures that move along the ground” (Genesis 1:26).

To enhance the efficiency of using natural resources for production, human beings create capital resources such as tools, machines, and buildings.

“Zillah also had a son, Tubal-Cain, who forged all kinds of tools out of bronze and iron” (Genesis 4:22).

It is God who provides us with resources and the ability to produce.

“But remember the LORD your God, for it is he who gives you the ability to produce wealth, and so confirms his covenant, which he swore to your ancestors, as it is today” (Deuteronomy 8:18).

The same resources can be used to produce different products, and the choice of what products to produce can have varying impacts.

“He, the carpenter, let it grow among the trees of the forest, or planted a pine, and the rain made it grow. It is used as fuel for burning; some of it he takes and warms himself, he kindles a fire and bakes bread. But he also fashions a god and worships it; he makes an idol and bows down to it. Half of the wood he burns in the fire; over it he prepares his meal, he roasts his meat and eats his fill. He also warms himself and says, “Ah! I am warm; I see the fire.” From the rest he makes a god, his idol; he bows down to it and worships. He prays to it and says, “Save me! You are my god!” (Isaiah 44:14-17).

This carpenter was right to use half of the wood to prepare his meal, but he was wrong in using the other half to make an idol to worship. Similarly, today we produce many products that can actually harm us, such as tobacco, illicit media, and illicit drugs.

Using the resources that God has given us to create products that dishonor Him and hurt people is both unwise and unjust. Christians should refrain from creating or supplying these harmful goods or services.

Questions:

1. Are there any products that are legal and available in the market that should not be produced? Why?
2. Why do honest Christian believers have differing views on the use of these products?
3. How might we use our time, a resource, wisely?
4. What career would you reject because of products that are produced in that field?
5. Share your thoughts or comments.

Biblical Sense Economics

Willingness and Ability

"For God so loved the world that He gave His one and only Son, that whoever believes in Him shall not perish but have eternal life" (John 3:16, NIV).

A market operates through the interaction of demand and supply. For demand to exist, a consumer must be both willing and able to purchase a product. Consider this: a shopper with a budget of \$400 for a new bag enters a store where bags range from \$250 to \$350. If she doesn't find a bag she likes, she won't be willing to buy it, even though she can afford it—there's no demand. Conversely, if she falls in love with a bag priced at \$450, she won't be able to buy it—again, no demand.

Supply works similarly. To constitute supply, a producer must be both willing and able to produce a product. If a producer has the resources to produce a product but doesn't expect to profit from it, he will not produce it. Conversely, if a producer is willing to produce a product but lacks the necessary resources, he will not be able to produce it.

The principle of willingness and ability applies beyond the market—it is fundamental to effective action in all areas of life. Let's explore how this concept plays out in some biblical stories.

1. Willing but Not Able

Water into Wine

“On the third day, a wedding took place in Cana, Galilee. Jesus' mother was there, and Jesus and his disciples had also been invited to the wedding. When the wine was gone, Jesus' mother said to him, "They have no more wine." "Woman, why do you involve me?" Jesus replied. "My hour has not yet come." His mother said to the servants, "Do whatever he tells you." Nearby stood six stone water jars, the kind used by the Jews for ceremonial washing, each holding from twenty to thirty gallons. Jesus said to the servants, "Fill the jars with water," so they filled them to the brim. Then he told them, "Now draw some out and take it to the master of the banquet." They did so, and the master of the banquet tasted the water that had been turned into wine" (John 2:1-9).

At a wedding in Cana, the wine ran out. Jesus' mother, Mary, was willing to help, but she was unable to provide more wine. Jesus, however, was both willing and

able to help. With a miraculous act, He turned water into wine, ensuring the celebration continued.

Five Loaves and Two Fish

“When Jesus looked up and saw a great crowd coming toward him, he said to Philip, “Where shall we buy bread for these people to eat?” He asked this only to test him, for he already had in mind what he was going to do. Philip answered him, “It would take more than half a year’s wages to buy enough bread for each one to have a bite!” Another of his disciples, Andrew, Simon Peter’s brother, spoke up, “Here is a boy with five small barley loaves and two small fish, but how far will they go among so many?” Jesus said, “Have the people sit down.” There was plenty of grass in that place, and they sat down (about five thousand men were there). Jesus then took the loaves, gave thanks, and distributed to those who were seated as much as they wanted. He did the same with the fish. When they had all had enough to eat, ...” (John 6:5-12).

A large crowd gathered to hear Jesus, and the disciples were concerned about feeding them. Philip and Andrew were willing to provide food but could not find enough. However, a boy’s five small loaves of barley bread and two fish were miraculously multiplied by Jesus to feed the entire crowd.

2. Able but Not Willing

The Parable of the Friend at Midnight

“Then Jesus said to them, “Suppose you have a friend, and you go to him at midnight and say, ‘Friend, lend me three loaves of bread; a friend of mine on a journey has come to me, and I have no food to offer him.’ And suppose the one inside answers, ‘Don’t bother me. The door is already locked, and my children and I are in bed. I can’t get up and give you anything.’” (Luke 11:5-7)

In this parable, although the friend has the bread and is able to help, but is unwilling to get up and assist, citing inconvenience. As a result, the man who asked for help went home empty-handed.

The Parable of the Talents

“So, I was afraid and went out and hid your gold in the ground. See, here is what belongs to you.’ His Master replied, ‘You wicked, lazy servant! So, you knew that I harvest where I have not sown and gather where I have not scattered seed? Well

then, you should have put my money on deposit with the bankers, so that when I returned I would have received it back with interest” (Matthew 25:26-27).

After receiving a bag of gold from his master, the servant hid it in the ground. He could have at least deposited the money in the bank to earn interest, but he was unwilling to do so. As a result, the master rebuked him for his laziness.

3. Willing and Able

The Catch of Fish

“When he (Jesus) had finished speaking, he said to Simon, “Put out into deep water, and let down the nets for a catch.” Simon answered, “Master, we’ve worked hard all night and haven’t caught anything. But because you say so, I will let down the nets.” When they had done so, they caught such a large number of fish that their nets began to break. So they signaled their partners in the other boat to come and help them, and they came and filled both boats so full that they began to sink” (Luke 5:4-7).

After a long night of fishing, Simon Peter and his companions caught nothing. Jesus, though not a fisherman, was both willing and able to guide them to a miraculous catch of fish. They caught so many that their nets began to break, and the boats began to sink.

Jesus and the Cross

“Who (Jesus), being in very nature God, did not consider equality with God something to be used to his own advantage; rather, he made himself nothing by taking the very nature of a servant, being made in human likeness. And being found in appearance as a man, he humbled himself by becoming obedient to death—even death on a cross!” (Philippians 2:6-8).

Jesus was willing and able to fulfill God’s plan for humanity by sacrificing Himself on the cross. Through His death and resurrection, He provided salvation to all who believe.

God expects us to be both willing and able to help others when we can. As Paul instructs Timothy, we should be generous and willing to share our blessings. Paul teaches, “Command those who are rich in this present world not to be arrogant nor to put their hope in wealth, which is so uncertain, but to put their hope in God, who richly provides us with everything for our enjoyment. Command them to do good,

to be rich in good deeds, and to be generous and willing to share" (1 Timothy 6:17-18).

Questions:

1. Think of a time when you were willing to help someone but unable to. What was the situation, and what did you learn from it?
2. Recall a time when you were able to help someone but were not willing. What stopped you?
3. Can you describe a time when you were both willing and able to help someone? What did you do, and what were the results?
4. What can we learn from Jesus?
5. Share your thoughts or comments.

Credits

1. A Free Dinner: *Instructor submitted material*
2. Care for Workers: *Instructor submitted material*
3. Cutting Not Only Supply but Demand as Well: *Instructor submitted material*
4. Economic Forecasting: *Instructor submitted material*
5. Externalities: *Instructor submitted material*
6. For Future Generations: *Instructor submitted material*
7. Freely Received, Freely Give: *Instructor submitted material*
8. From Abundance to Scarcity to Contentment: *Instructor submitted material*
9. God's Provision and Our Work: *Instructor submitted material*
10. How Much is Enough: *Instructor submitted material*
11. In God We Trust: *Instructor submitted material*
12. Incentives Matter: *Instructor submitted material*
13. Labor in Vain: *Instructor submitted material*
14. Mine is Mine: *Instructor submitted material*
15. Money and Happiness: *Instructor submitted material*
16. Mutual Benefit: *Instructor submitted material*
17. Negative Interest Rates: *Instructor submitted material*
18. Self-Interest: *Instructor submitted material*
19. Short Run, Long Run and Eternity: *Instructor submitted material*
20. Student Loans and Payday Loans: *Instructor submitted material*
21. The Best Investment: *Instructor submitted material*
22. The Best Lender: *Instructor submitted material*
23. The Invisible Hand: *Instructor submitted material*
24. The Nation's Economic Pulse: *Instructor submitted material*
25. The Opportunity Cost: *Instructor submitted material*
26. The Most Important Economic Unit - Family: *Instructor submitted material*
27. The Rich vs. The Poor: *Instructor submitted material*
28. The Right Order of Helping the Poor: *Instructor submitted material*
29. Too Little?: *Instructor submitted material*
30. What is Money Good For: *Instructor submitted material*
31. What Not to Produce: *Instructor submitted material*
32. Willingness and Ability: *Instructor submitted material*

Table of Contents

1. [Cover Page](#)
2. [Title Page](#)
3. [Copyright](#)
4. [Table of Contents](#)
5. [1: A FREE DINNER](#)
6. [2: CARE FOR WORKERS](#)
7. [3: CUTTING NOT ONLY SUPPLY BUT DEMAND AS WELL](#)
8. [4: ECONOMIC FORECASTING](#)
9. [5: EXTERNALITIES](#)
10. [6: FOR FUTURE GENERATIONS](#)
11. [7: FREELY RECEIVED, FREELY GIVE](#)
12. [8: FROM ABUNDANCE TO SCARCITY TO CONTENTMENT](#)
13. [9: GOD'S PROVISION AND OUR WORK](#)
14. [10: HOW MUCH IS ENOUGH](#)
15. [11: IN GOD WE TRUST](#)
16. [12: INCENTIVES MATTER](#)
17. [13: LABOR IN VAIN](#)
18. [14: MINE IS MINE](#)
19. [15: MONEY AND HAPPINESS](#)
20. [16: MUTUAL BENEFIT](#)
21. [17: NEGATIVE INTEREST RATES](#)
22. [18: SELF-INTEREST](#)
23. [19: SHORT RUN, LONG RUN AND ETERNITY](#)
24. [20: STUDENT LOANS AND PAYDAY LOANS](#)
25. [21: THE BEST INVESTMENT](#)
26. [22: THE BEST LENDER](#)
27. [23: THE INVISIBLE HAND](#)
28. [24: THE NATION'S ECONOMIC PULSE](#)
29. [25: THE OPPORTUNITY COST](#)
30. [26: THE MOST IMPORTANT ECONOMIC UNIT - FAMILY](#)
31. [27: THE RICH VS. THE POOR](#)
32. [28: THE RIGHT ORDER OF HELPING THE POOR](#)
33. [29: TOO LITTLE?](#)
34. [30: WHAT IS MONEY GOOD FOR](#)
35. [31: WHAT NOT TO PRODUCE](#)
36. [32: WILLINGNESS AND ABILITY](#)
37. [Credits](#)

Guide

1. [Cover Page](#)
2. [Title Page](#)
3. [Copyright](#)
4. [Table of Contents](#)
5. [1: A FREE DINNER](#)
6. [2: CARE FOR WORKERS](#)
7. [3: CUTTING NOT ONLY SUPPLY BUT DEMAND AS WELL](#)
8. [4: ECONOMIC FORECASTING](#)
9. [5: EXTERNALITIES](#)
10. [6: FOR FUTURE GENERATIONS](#)
11. [7: FREELY RECEIVED, FREELY GIVE](#)
12. [8: FROM ABUNDANCE TO SCARCITY TO CONTENTMENT](#)
13. [9: GOD'S PROVISION AND OUR WORK](#)
14. [10: HOW MUCH IS ENOUGH](#)
15. [11: IN GOD WE TRUST](#)
16. [12: INCENTIVES MATTER](#)
17. [13: LABOR IN VAIN](#)
18. [14: MINE IS MINE](#)
19. [15: MONEY AND HAPPINESS](#)
20. [16: MUTUAL BENEFIT](#)
21. [17: NEGATIVE INTEREST RATES](#)
22. [18: SELF-INTEREST](#)
23. [19: SHORT RUN, LONG RUN AND ETERNITY](#)
24. [20: STUDENT LOANS AND PAYDAY LOANS](#)
25. [21: THE BEST INVESTMENT](#)
26. [22: THE BEST LENDER](#)
27. [23: THE INVISIBLE HAND](#)
28. [24: THE NATION'S ECONOMIC PULSE](#)
29. [25: THE OPPORTUNITY COST](#)
30. [26: THE MOST IMPORTANT ECONOMIC UNIT - FAMILY](#)
31. [27: THE RICH VS. THE POOR](#)
32. [28: THE RIGHT ORDER OF HELPING THE POOR](#)
33. [29: TOO LITTLE?](#)
34. [30: WHAT IS MONEY GOOD FOR](#)
35. [31: WHAT NOT TO PRODUCE](#)
36. [32: WILLINGNESS AND ABILITY](#)
37. [Credits](#)